

OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY-ONLY
NON-BANK-QUALIFIED

Underlying Ratings:
S&P: AA
Moody's: Aa2
(See "RATINGS")

In the opinion of King Kozlarek Law LLC, Bond Counsel, under existing law, (1) assuming compliance by the County with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Bonds is exempt from all State of South Carolina ("State"), county, municipal, school district, and all other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except, inheritance, estate, or other transfer taxes, provided that the interest thereon may be includable for certain franchise fees or taxes. See "TAX TREATMENT" herein.



\$25,000,000
OCONEE COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2023

Dated: Delivery Date

Due: April 1, as shown on the inside front cover

This cover page and the inside cover page contain certain information for quick reference only. They are not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Oconee County, South Carolina ("County") is issuing its \$25,000,000 General Obligation Bonds, Series 2023 ("Bonds") for the purpose of: (i) designing, acquiring, constructing, installing, equipping or rehabilitating various capital projects, including wastewater improvements and related equipment, and other capital projects, together with all appurtenances necessary, useful or convenient for the maintenance and operation of same ("Capital Projects") and (ii) paying costs of issuance of the Bonds. See "Plan of Finance" herein. All undefined capitalized terms used on this cover are defined in this Official Statement.

The Bonds are secured by an irrevocable pledge of full faith, credit, and taxing power of the County, and are payable from an annual *ad valorem* tax, without limit as to rate or amount, on all taxable property in the County sufficient to pay principal and interest as they respectively mature.

The Bonds will be issued only as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Bonds will be made. Individual purchases of Bonds will be made in book-entry form only, in the principal amounts of \$5,000 or any integral multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest on the Bonds are payable to Cede & Co. as nominee for DTC, which in turn will remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursements to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry Only System." Regions Bank in Atlanta, Georgia, will serve as the Paying Agent and Registrar for the Bonds.

The Bonds will be dated their Delivery Date and will mature on April 1 in each of the years and in the principal amounts and bear interest at the rates shown on the inside front cover from the date of their issuance. Interest on the Bonds is payable on each April 1 and October 1, beginning April 1, 2024, until maturity. The Bonds are subject to optional redemption prior to maturity.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Bonds were sold at competitive sale on October 18, 2023. The Bonds are offered when, as and if issued subject to the approving opinion as to legality of King Kozlarek Law LLC, Greenville, South Carolina, which is serving as Bond Counsel to the County. Certain legal matters will be passed on for the County by its counsel, David A. Root, Esquire, Walhalla, South Carolina. King Kozlarek Law LLC, Greenville, South Carolina, has acted as disclosure counsel in connection with the offering of the Bonds. Stifel, Nicolaus & Company, Inc., Columbia, South Carolina serves as Financial Advisor to the County. It is expected that the Bonds in definitive form will be available for delivery on or about November 2, 2023 ("Delivery Date"), through the facilities of DTC against payment therefor.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES, AND CUSIPS¹

<u>DUE</u> <u>APRIL 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>YIELD (%)</u>	<u>PRICE</u>	<u>CUSIP¹</u>
2027	\$255,000	5.000%	3.590%	104.489	675583 HM3
2028	265,000	5.000%	3.530%	105.956	675583 HN1
2029	500,000	5.000%	3.550%	107.081	675583 HP6
2030	530,000	5.000%	3.560%	108.189	675583 HQ4
2031	550,000	5.000%	3.580%	109.171	675583 HR2
2032	1,440,000	5.000%	3.610%	110.005	675583 HS0
2033	1,510,000	5.000%	3.620%	110.923	675583 HT8
2034	1,585,000	5.000%	3.650%	110.670 ^c	675583 HU5
2035	1,665,000	5.000%	3.750%	109.834 ^c	675583 HV3
2036	1,750,000	5.000%	3.900%	108.594 ^c	675583 HW1
2037	1,835,000	5.000%	4.050%	107.371 ^c	675583 HX9
2038	1,930,000	5.000%	4.200%	106.164 ^c	675583 HY7
2039	2,025,000	5.000%	4.300%	105.368 ^c	675583 HZ4
2040	2,125,000	5.000%	4.350%	104.973 ^c	675583 JA7
2041	2,230,000	5.000%	4.400%	104.580 ^c	675583 JB5
2042	2,345,000	5.000%	4.470%	104.032 ^c	675583 JC3
2043	2,460,000	5.000%	4.510%	103.721 ^c	675583 JD1

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2022 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the County nor the Underwriter nor their respective agents take responsibility for the accuracy of such data. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database.

^c Yield Calculated to par call date of April 1, 2033.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement constitutes a “Final Official Statement” of the County with respect to the Bonds, as that term is defined in Securities and Exchange Commission (“SEC”) Rule 15c2-12 (“Rule 15c2-12”). Any supplement or addendum shall, on and after the date thereof, be fully incorporated and made a part of this Official Statement by reference.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND THIS STABILIZING MAY BE DISCONTINUED AT ANY TIME.

Regions Bank, as Registrar/Paying Agent, has not provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of information, (ii) the validity of the Bonds, or (iii) the tax status of the interest on the Bonds.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and, if given or made, other information or representations must not be relied on as having been authorized by the County. Certain information contained in this Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER THE DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE DATE THEREOF.

Reference to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made in this Official Statement. Where full texts have not been included as Appendices to this Official Statement, they will be furnished on request.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF THE COUNTY AND, WHILE BELIEVED TO BE RELIABLE, IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY. REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK, WHICH ARE NOT INTENDED TO BE ACTIVE, SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Further, certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” These types of statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget,” “forecast,” “project” or similar words. Forward-looking statements are included in various portions of this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR.

THE BONDS WILL NOT BE REGISTERED OR QUALIFIED WITH THE SEC UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FINANCING PARTICIPANTS

OCONEE COUNTY, SOUTH CAROLINA

415 South Pine Street
Walhalla, South Carolina 29691

COUNTY COUNCIL

Matthew Durham, Chairman
Don Mize, Vice Chairman
James Glenn Hart, Chairman Pro Tem
Julian Davis III
John Elliott

COUNTY ADMINISTRATION

Amanda F. Brock
County Administrator

Ladale V. Price
Director of Finance

Jennifer C. Adams
Clerk to County Council

David A. Root, Esquire
County Attorney

BOND COUNSEL

King Kozlarek Law LLC
Greenville, South Carolina

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Inc.
Columbia, South Carolina

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APPENDIX A – Annual Comprehensive Financial Report of the County for Fiscal Year Ended June 30, 2022

APPENDIX B – Form of Bond Counsel Opinion

APPENDIX C – Form of Continuing Disclosure Undertaking

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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement, which includes its Appendices (collectively “Official Statement”). The offering of the Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Any capitalized terms used but not defined in this Official Statement have the meanings set forth in the Bond Ordinance (as defined herein).

- The Issuer:** Oconee County, South Carolina (“County”) incorporated in 1868, is located in the northwest corner of South Carolina in the Blue Ridge foothills and mountains. Five incorporated municipalities exist within the 654 square miles of the County. The County is the 23rd largest county in South Carolina and the only county in South Carolina bordering on two states—Georgia and North Carolina. See “THE COUNTY” herein for more detailed information regarding the County.
- The Bonds:** The Bonds will be issued in the form of registered bonds, book-entry system; will be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in that year; will be dated the date of their delivery; and will mature and will bear interest from their date at the rates shown on the inside front cover with interest payable initially on April 1, 2024, and thereafter on each October 1 and April 1 until maturity.
- Maturities:** The Bonds will mature in each of the years and in the principal amounts as indicated on the inside cover page hereof. The Bonds will be dated and bear interest from their date of delivery and will mature on April 1 in the years and in the principal amounts and will bear interest at the rates shown on the inside front cover.
- Redemption:** The Bonds are subject to optional redemption prior to maturity, as provided herein.
- Security:** The Bonds will constitute binding general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as other County taxes are levied and collected, an ad valorem without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.
- Purpose:** The proceeds derived from the sale of the Bonds will be utilized for the principal purpose of (i) designing, acquiring, constructing, installing, equipping or rehabilitating the Capital Projects, and (ii) paying costs of issuance of the Bonds. See “PLAN OF FINANCE” and “SOURCES AND USES OF FUNDS” herein for more information regarding the use of Bond proceeds.
- Tax Status:** Under existing law and assuming the County’s compliance with certain requirements of the Internal Revenue Code of 1986, as amended (“Code”), in the opinion of King Kozlarek Law LLC interest on the Bonds is excludable from gross income for federal and South Carolina income tax purposes under existing statutes, regulations and court decisions. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See “TAX TREATMENT” herein.
- Professionals:** Regions Bank, serves as Registrar and Paying Agent for the Bonds. David Root, Esquire, Walhalla, South Carolina, serves as counsel to the County. King Kozlarek Law LLC, Greenville, South Carolina, serves as Bond/Disclosure Counsel to the County. Stifel, Nicolaus & Company, Inc., Columbia, South Carolina serves as Financial Advisor to the County.

**Continuing
Disclosure:**

In accordance with Rule 15c2-12(b)(5) of the U.S. Securities and Exchange Commission, the County has covenanted to execute and deliver prior to closing, and to thereafter comply with the terms of, Disclosure Dissemination Agent Agreement. See "CONTINUING DISCLOSURE" herein for a more complete description of the County's continuing disclosure obligations.

Authorization:

The Bonds are being issued pursuant to and in accordance with the Constitution and laws of the State, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; and Ordinance No. 2023-13 duly enacted on September 5, 2023 ("Bond Ordinance") by the County Council of the County ("County Council").

Terms of Offering:

The Bonds are being issued in book-entry-only form. It is expected that the Bonds will be delivered through the facilities of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), at the offices of DTC, on or about November 2, 2023, and will be available for credit to the accounts of the participants and, through them, the Beneficial Owners on that date.

General:

This Official Statement speaks only as of its date, and the information contained in it is subject to change. A copy of the Preliminary Official Statement and the Official Statement will be placed on <http://emma.msrb.org>.² Copies of the Preliminary Official Statement, the Official Statement, and related documents and information are available by contacting the County's Financial Advisor, Brenton J. Robertson, Esq., Managing Director, Stifel, Nicolaus & Company, Inc., 515 Gervais Street, Columbia, South Carolina 29201, telephone: 803.331.3848, email: robertsonb@stifel.com, or Bond Counsel, Michael E. Kozlarek, Esquire, King Kozlarek Law LLC, 201 Riverplace, Suite 500, Greenville, South Carolina 29601, telephone: 864.527.5941, email: michael@kingkozlarek.com.

The Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Bonds, the County, and other information pertinent to this issue.

All information included in this Official Statement has been provided by the County except where attributed to other sources. The summaries and references to all documents, statutes, reports, and other instruments referred to do not purport to be complete, comprehensive, or definitive, and each reference or summary is qualified in its entirety by reference to each document, statute, report, or other instrument.

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²None of the Uniform Resource Locators contained in this Official Statement are intended to be an active hyperlink.

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is qualified by reference to its entire contents, including Appendices, as well as of the documents summarized or described in this Official Statement.

This Official Statement of Oconee County, South Carolina ("County"), including the cover page, Summary Statement, and Appendices, is provided for the purpose of furnishing certain information concerning the County, the \$25,000,000 General Obligation Bonds, Series 2023 ("Bonds") of the County, and other matters related thereto, in connection with the public invitation for bids for the purchase of the Bonds. This Official Statement has been prepared under the supervision of Amanda F. Brock, County Administrator and Ladale V. Price, Director of Finance.

THE BONDS

Description of the Bonds

The Bonds will be general obligation bonds of the County. The Bonds shall be issued as registered bonds and held pursuant to a book-entry system. The Bonds will be dated the date of their delivery, which is anticipated to be November 2, 2023, shall mature, and shall bear interest at the rates and shall be initially priced as shown on the inside front cover. Interest on the Bonds shall be first payable on April 1, 2024, and thereafter on October 1 and April 1 of each year ("Bond Payment Dates") until final payment of the principal thereof.

The Bonds will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in each year. The Bonds shall be numbered from one upwards in such a fashion as to maintain a proper record thereof. All Bonds will be registered on the registration books of the County which are to be kept for this purpose at the office of the Trustee at which its principal corporate trust business is administered.

Authorization for the Bonds

The Bonds will be issued pursuant to and in accordance with the Constitution and the laws of the State, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended ("SC Code"); and Title 11, Chapter 27, SC Code; and Ordinance 2023-13, duly enacted by the County Council on September 5, 2023 ("Bond Ordinance").

Use of Proceeds

The proceeds derived from the sale of the Bonds will be utilized for the principal purpose of (i) designing, acquiring, constructing, installing, equipping or rehabilitating the 2023 Projects, and (ii) paying costs of issuance of the Bonds.

Security

For the payment of principal of and interest on the Bonds, the full faith, credit, and taxing power of the County are irrevocably pledged. There shall be levied and collected annually in the same manner as other County taxes are levied and collected, an *ad valorem* tax limit, on (i) all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Additional Security for the Bonds

Article X, Section 14, Paragraph 5 of the Constitution provides:

If at any time any political subdivision shall fail to effect the punctual payment of the principal and interest of its general obligation debt, the State Treasurer shall withhold from such political subdivision sufficient moneys from any state appropriation to which such political subdivision may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the political subdivision then due.

As is the case with the enforcement of the pledge of the full faith, credit and taxing powers of the County, mandamus may be available to require the State Treasurer to fulfill the duty imposed by the provision of Article X stated above.

Article X, Section 14, Paragraph 5 does not contain an express pledge or covenant to apply the State moneys referred to therein to the payment of county indebtedness. Neither the applicable State statute nor the Bonds nor the proceedings

pursuant to which the Bonds are being issued contains any reference to the above-quoted provision of Article X. In the opinion of Bond Counsel, the constitutional provision above-quoted can be enforced only so long as it remains a part of the South Carolina Constitution, but an amendment to the South Carolina Constitution modifying or repealing the above-quoted provision of Article X would be sustained against a claim by the holders of the Bonds that such an amendment is a law impairing the obligation of contracts in violation of Section 10 of Article 1 of the Constitution of the United States.

Any such constitutional amendment, to become effective, would have to be proposed by a vote of two-thirds of the members of each House of the South Carolina General Assembly, favorably voted on in the succeeding State-wide general election, and then ratified by a majority vote of each House of the General Assembly at the next session.

The following table shows the amount of State General Fund appropriations subject to being so withheld which were received or estimated to be received by the County for the fiscal years shown below:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Amount Received</u>
2018	\$ 2,831,768.11
2019	2,859,287.18
2020	2,986,064.22
2021	3,040,980.32
2022	2,326,642.25
2023*	3,013,261.00

Source: County Finance Department

*Anticipated amount for fiscal year 2023

General Redemption Provisions; Notice

In the event the Bonds or any portion thereof shall be called for redemption, notice of the redemption, describing (among other things) the Bonds to be redeemed, specifying the redemption date, and the redemption price payable on such redemption, shall be mailed by Regions Bank, as registrar and pay agent ("Registrar/Paying Agent") by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry (as defined herein) not less than 30 days and not more than 60 days prior to the redemption date. So long as the Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, notices of redemption with respect to the Bonds will be given to Cede & Co. and will be distributed by Cede & Co. as set forth in APPENDIX G - DTC AND BOOK-ENTRY SYSTEM.

If less than all of the Bonds of any series and maturity are called for redemption, the Bonds of such series and maturity to be redeemed shall be selected by lot by the Registrar/Paying Agent within such maturity, subject to the rules of procedure of DTC while the Bonds are held in book-entry form.

If a Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as in the Bond Ordinances provided and if moneys for the payment of such Bond at the then applicable redemption price and the interest to accrue to the redemption date on such Bond are held for the purpose of such payment by the Registrar/Paying Agent, then such Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Bond, as appropriate, so called for redemption shall cease to accrue. The County is entitled to provide for, and give notice of, the redemption of a Bond based on certain conditions being met at or prior to redemption, including, but not limited to, the availability of amounts for such purposes.

Optional Redemption

The Bonds maturing on or prior to April 1, 2033, shall not be subject to redemption prior to their stated maturities. The Bonds maturing on and after April 1, 2034, are subject to redemption prior to maturity, at the option of the County, on or after April 1, 2033, in whole or in part at any time, at a redemption price equal to 100 percent of the principal amount thereof, without premium, together with interest accrued to the redemption date.

Defeasance

The obligations of the County under the Ordinances and the pledges, covenants and agreements of the County made or provided for under the Ordinances, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and are canceled or subject to cancellation by the County or the Paying Agent; or

(b) if the Paying Agent shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the full payment thereof; or

(c) if default in the payment of the principal of such Bonds or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and the Paying Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(d) if the County shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Paying Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price and interest, due and to become due on the Bonds on and prior to their maturity dates or redemption dates, as the case may be.

Book-Entry System

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE BONDS TO DIRECT AND INDIRECT PARTICIPANTS (AS DEFINED BELOW) OR BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC (AS DEFINED BELOW), THE DIRECT AND INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE COUNTY FOR INCLUSION IN THIS OFFICIAL STATEMENT. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DIC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DIC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DIC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global

Ratings' ("S&P") rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Ordinances (as defined herein). For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE COUNTY SHALL TREAT CEDE & CO. AS THE ONLY BONDHOLDER FOR ALL PURPOSES, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE COUNTY AND THE REGISTRAR/PAYING AGENT (IF NOT THE COUNTY) TO TAKE OR NOT TO TAKE, OR CONSENT TO, CERTAIN ACTIONS. THE COUNTY HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCES TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the County, as Registrar/Paying Agent, to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, since transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect Participants, and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the County, as Registrar/Paying Agent, as registered owners for purposes of the Ordinances, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

Miscellaneous

Neither the Bonds nor any of the documents relating to their issuance contain any covenants or periodic reporting requirements that could result in a default. Payment of principal of and interest on the Bonds may be enforced against the County, and the pledge of the full faith, credit and taxing power is enforceable by mandamus.

SOURCES AND USES OF FUNDS

The following table sets forth an estimation of the sources and uses of funds in connection with the issuance of the Bonds.

<u>Sources of Funds:</u>	
Principal Amount of Bonds	\$25,000,000.00
Plus Net Original Issue Premium	1,705,559.75
<u>Total Sources of Funds</u>	<u>\$26,705,559.75</u>
<u>Uses of Funds:</u>	
Deposit to Debt Service Fund	\$1,647,491.00
2023 Projects	\$24,395,500.00
Costs of Issuance and Rounding ¹	\$662,568.75
<u>Total Uses of Funds</u>	<u>\$26,705,559.75</u>

¹Includes legal fees, accounting fees, underwriter's discount, initial fee of the Registrar/Paying Agent, printing costs, rating agency fees, other costs related to the Bonds' issuance, and a rounding figure.

PLAN OF FINANCE

The proceeds of the Bonds will be utilized to fund certain projects in the County's capital improvement program. Specifically, the County plans to use the funds for the purpose of defraying or reimbursing a portion of the costs of (i) designing, acquiring, constructing, installing, equipping, or rehabilitating various capital projects, including wastewater improvements and related equipment, and other capital projects, together with all appurtenances necessary, useful, or convenient for the maintenance and operation of same (collectively, "Capital Projects"), and (ii) paying costs of issuance of the Bonds. See "Plan of Finance" herein. All undefined capitalized terms used on this cover are defined in this Official Statement.

INVESTMENT CONSIDERATIONS

In analyzing the Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully review the following investment considerations prior to deciding to purchase the Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Bonds. Additional investment considerations relating to the purchase of the Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Public Health Emergencies Could Negatively Affect the County's Operations

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus ("COVID-19" or the "Pandemic"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions, or economic recession. The County cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the County associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the County. Accordingly, the County cannot predict the effect any public health emergencies will have on the finances or operations of the County or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

Climate Change

Planning for potential climate change in the State and its impact on the County's operations is an unknown challenge. The State's climate is variable and projections of future conditions range significantly. Although projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of any potential climate change is not yet known and therefore its future impact on the County cannot be quantified reliably at this time.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the County security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost, or stolen. Any such disruption, access, disclosure, or other loss of information could result in disruptions in operations and the services provided by the County, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the operations of the County, which could materially adversely affect the operations of the County.

Although the County's cybersecurity and operational safeguards are periodically tested, no assurances can be given by the County that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the County's finances or operations. The costs of remedying any such damage or

obtaining insurance related thereto, or protecting against future attacks could be substantial and insurance (if any can be obtained) may not be adequate to cover such losses or other consequential County costs and expenses. Further, cybersecurity breaches could expose the County to material litigation and other legal risks, which could cause the County to incur material costs related to such legal claims or proceedings.

THE COUNTY

Description of the County

The County, incorporated in 1868, is known as the "Golden Corner of South Carolina," and is located in the northwestern portion of the State. The County abuts the State of North Carolina to the north, the State of Georgia to the west, and Anderson and Pickens Counties to the east. Oconee County has a land area of 654 square miles. The largest incorporated municipality in the County is the city of Seneca, located in the eastern portion of the County at the southernmost point of Lake Keowee. The county seat, Walhalla, is located near the center of the County. Asheville, North Carolina, lies 80 miles northwest of Walhalla; Atlanta, Georgia, is 110 miles southwest. Greenville, South Carolina, is located 46 miles east of Walhalla.

Form of Government

The County operates under the council-administrator form of government. Policymaking and legislative authority are vested in the County Council, County Council consists of five (5) members elected from single member districts. The County Administrator is appointed by and serves at the pleasure of County Council. The County Administrator is the chief administrative officer of the County and is responsible to County Council for the proper administration of all County affairs. The County Administrator shall have those powers and duties provided for in S.C. Code, §4-9-620 et seq. (1976) and shall have such other powers and duties as may be required by Council.

The present members of the County Council, their occupations, and the number of consecutive years each has served on County Council are as follows:

<u>Name</u>	<u>Years Served</u>	
	<u>on County</u>	
	<u>Council</u>	<u>Occupation</u>
Matthew Durham, Chairman	3 years	NRC Licensed Nuclear Operator
Don Mize, Vice Chairman	1 years	Sr. NRC Licensed Nuclear Operator, Retired
James Glenn Hart, Chairman Pro Tem	7 years	Licensed Land Surveyor
Julian Davis III	7 years	Insurance Agency Owner/Agent
John Elliott	5 years	Certified Public Accountant, Retired

Amanda F. Brock serves as the County Administrator. Ms. Brock became the County Administrator in March 2019, after serving as the Interim County Administrator. Ms. Brock has worked for the County for 21 years. Ms. Brock has worked in Administration for 15 years, and has an in-depth understanding of the County both internally and externally. Ms. Brock is a graduate of the SC Institute of Government; National Association of Counties High Performance Leadership Academy; and the Coca-Cola Scholars Leadership Summit.

The County Director of Finance is Ladale V. Price. Mrs. Price has served in this role since June of 2015. She has been an employee of Oconee County for 30 years and has been in the Finance department since 1997. Her roles have included Budget Analyst, Senior Accountant, and Assistant Finance Director.

Services Provided

The County operates and maintains a full range of services and programs which are funded from County revenues, as reflected in its annual budget for fiscal year ended June 30, 2022, a summary of which is shown below under "CERTAIN FISCAL MATTERS – Five Year Revenue-Expenditure Summary." These services and programs include general government, public safety, transportation, public works, education, judicial services, culture and recreation, health and welfare, and economic development.

Employees, Employee Relations, and Labor Organizations

The County employs approximately 575 full-time equivalent employees and 27 part-time employees in all departments of government. No employees of the County are represented by labor organizations or are covered by collective bargaining agreements, and the County is not aware of any union organizing efforts at the present time.

Retirement Plans

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9- 11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

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

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was schedule to go into effect beginning July 1, 2020. If the schedule contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then

current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2022, the County contributed \$2,265,129 to the SCRS plan and \$1,876,227 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2022, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Required employer contribution rates for the year ended June 30, 2022, are as follows:

South Carolina Retirement System

Employee Class Two 16.41% of earnable compensation
Employee Class Three 16.41% of earnable compensation
Employer incidental death benefit 0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two 18.84% of earnable compensation
Employee Class Three 18.84% of earnable compensation
Employer incidental death benefit 0.20% of earnable compensation
Employer accidental death program 0.20% of earnable compensation

Net Pension Liability:

The June 30, 2021 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith, and Company ("GRS") and are based on the July 1, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2022 (measurement date of June 30, 2021), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$63,731,554	\$38,714,446	\$25,017,108	60.7%	0.115599%
PORS	\$54,053,561	\$38,039,539	\$16,014,022	70.4%	0.622408%

Actuarial Methods and Assumptions: The following table provides a summary of the actuarial assumptions and methods to calculate the Total Pension Liability as of June 30, 2021.:

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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

County contributions subsequent to June 30, 2021, of \$2,265,129 and \$1,876,227 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2023	\$ 1,030,099	\$ 532,916
2024	(1,487,311)	(519,951)
2025	(294,515)	(426,171)
2026	(1,359,819)	(1,268,446)

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.

Other Post-Employment Benefits

The County follows GASB Statement No. 75 for other post-employment benefits ("OPEB") offered to the County's retirees. This GASB statement addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits.

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

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

Normal (unreduced) Retirement Requirements

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

Early (reduced) Retirement Requirements

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

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

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

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

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

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

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

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

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the General Fund and the Rock Quarry Fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation.

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

The Plan has 169 covered members for the year ended June 30, 2022; 96 members are retirees receiving benefits and 73 are active participants and dependents.

Funding Policy and Contributions: The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2022, the County paid \$622,547 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the County Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

Changes in the Total OPEB Liability: The changes in the total OPEB liability of the County for the years ended June 30, 2022, were as follows:

Balance at beginning of year	\$11,684,636
Changes for the year	
Service cost	165,299
Interest on the OPEB liability	283,606
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	321,143
Changes of assumptions	897,501
Benefit payments	<u>(383,044)</u>
Net change in total OPEB liability	<u>1,284,505</u>
Balance at end of year	<u>\$12,969,141</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County as of June 30, 2022 (June 30, 2021 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
<u>\$ 14,216,886</u>	<u>\$ 12,969,141</u>	<u>\$ 11,885,183</u>

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 \$85,000 per person per contract year through April 30, 2023. The estimated maximum annual cost to the County is \$6,630,112. At June 30, 2022, claims due and payable totaled approximately \$852,597 and are recorded as a liability in the respective funds with employees receiving this benefit. The following amounts were recorded as liabilities of the respective funds as of June 30, 2022: General Fund - \$822,667; and Proprietary Fund - Rock Quarry \$29,930.

Effective January 1, 2013, the County revised the retiree health benefits for individuals who are qualified for Medicare. As a result, retirees eligible for health care began receiving a defined contribution towards the purchase of a Medicare Supplement Plan through Hartford Life. This resulted in 71 retirees no longer participating in the County's self-insured health insurance plan. As outlined in the plan document, all employees hired before July 1, 2010, are eligible for plan benefits given they meet the 20 years of continuous service requirement and ultimately retire from the County. As of June 30, 2022, approximately 192 employees were hired prior to July 1, 2010, and could ultimately benefit from the health insurance plan.

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

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

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

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2022	\$ 784,510	\$ 7,335,846	\$ 7,267,759	\$ 852,597
2021	255,917	5,461,589	4,932,996	784,510
2020	593,663	4,540,858	4,878,604	255,917
2019	547,644	4,787,456	4,741,437	593,663
2018	439,202	6,717,547	6,609,105	547,644

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Fiscal Accountability Authority Office - Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The County is liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate for torts.

CERTAIN FISCAL MATTERS

Property Taxation and Assessment

Article X of the South Carolina Constitution mandates that the assessment of all property, both real and personal, shall be equal and uniform and that the following ratios shall apply in the appropriate classifications of property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value;³
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property- 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business

³ Provided, however, South Carolina Code Annotated section 12-37-220(B)(52), as amended, effective July 1, 2022, has the intended effect of reducing the effective assessment ratio from 10.5% to 6.0%. See "CERTAIN FISCAL MATTERS-Manufacturer's Exemption," herein.

inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit); and

(8) (A) Except as set forth in (B) and (C) below, all other personal property - 10.5% of fair market value;

(B) Personal Motor Vehicles which must be titled by a state or federal agency, limited to passenger motor vehicles and pickup trucks, as defined by law - 6.0%; and

(C) Aircraft - 4% of fair market value.

In South Carolina, local taxes for counties, schools and special purpose districts are levied as a single tax bill which each taxpayer must pay in full. Taxes are levied by the Auditors of the various counties. In the County, current and delinquent tax collections are made through the office of the County Treasurer. Tax bills are mailed from the County Treasurer's office on October 1 or as soon thereafter as is practicable each year. Real and personal property taxes (except taxes on motor vehicles) are payable on or before January 15th without penalty. A penalty of 3% is added on January 16th, an additional penalty of 7% is added on February 2nd and an additional penalty of 5% is added on March 17th, at which time the office of the County Treasurer's office issues orders of execution on all unpaid accounts. The County Sheriff is authorized to seize by appropriate means the personal property of a defaulting taxpayer. Thereafter, such property may be sold to satisfy unpaid personal property taxes. Delinquent taxes on real property may be collected through sale of the property by the County.

The South Carolina Department of Revenue ("DOR") has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State and may require reassessment of any part or all of the property within a County. Under law enacted by the South Carolina General Assembly in 1995, every fifth year the County and the State are required by law to affect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. The County completed its latest reassessment in calendar year 2020, which was implemented in calendar year 2022, after a one-year postponement (fiscal year ended June 30, 2023). The next reassessment will take place in calendar year 2025 and is expected to be implemented in calendar year 2026 (fiscal year ending June 30, 2027). Regulations adopted by the DOR prior to the 1995 law, and which are still in place also require that a reappraisal program must be instituted by a county if the median appraisal for all property in the county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value.

The Comptroller General of the State may extend the time for assessment and collection of taxes by county officials. Unpaid taxes, both real and personal, constitute a first lien against the property taxed.

Act No. 388 of the 2006 Acts of the South Carolina General Assembly ("Act 388"), provides that, beginning July 1, 2007, the growth in valuation of real property attributable to reassessment may not exceed 15% for each five-year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, upon the sale of any parcel of real property or other "assessable transfer of interest," including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value. The foregoing limitation on increases in assessed value may materially affect the growth in the County's assessed value, and, thus, debt limit, over time.

The County Assessor appraises and assesses all the real property and mobile homes located within the county and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and also of business equipment.

Each year the DOR certifies its assessments to the County Auditors each of whom prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection. South Carolina has no statewide property tax.

Manufacturer's Exemption

According to South Carolina Code Annotated section 12-37-220(B)(52), *et seq.*, as amended, effective July 1, 2022, 42.8571% of the property tax value of manufacturing property used in the conduct of a manufacturer's business is exempt from property taxes. Further, each year, the State is required to reimburse the property tax revenue lost, collectively, by all

local governments as a consequence of this exemption, up to \$175 million in State-wide aggregate. If, in any year the State Revenue and Fiscal Affairs Office projects the exemption reimbursement to exceed the State-wide aggregate of \$175 million, then the exemption amount is automatically and proportionally reduced so that that year's State-wide aggregate reimbursement does not exceed \$175 million. From and including years 2017 through and including 2021, there existed a similar 14.2857% property tax exemption with a reimbursement cap of \$85 million.

Homestead Exemptions – Property Tax Relief

The State provides, among other exemptions, two exemptions for homesteads. The first is a general exemption from all *ad valorem* property taxes and applies to the first \$50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind (“Homestead Exemption”). The second exemption (“Property Tax Relief Exemption”) applies only to *ad valorem* taxes levied for school operating budgets (exclusive of amounts in those budgets for the payment of lease-purchase agreements for capital construction) (“School Taxes”) and has no effect on the County. The Property Tax Relief Exemption applies to property classified as the legal residence and up to five contiguous acres of land contiguous thereto when owned by the occupant of the residence. The value of the property exempted pursuant to the Property Tax Relief Exemption is determined each year by a formula which takes into account the amount made available by the General Assembly for the purpose in a State Property Tax Relief Fund and the total School Taxes but for the exemption. In both cases, the revenues that would have been received by various taxing entities but for the exemptions are replaced by funds from the State. In the case of the Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by March 15 of each year from the State’s general fund. The County can give no assurance these payments will continue.

Payments in Lieu of Taxes and Other Property Tax Incentives

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain “brownfield” sites) or more may be negotiated for payments in lieu of taxes for a period up to 30 years (up to 40 years for certain large investments) using assessment ratios of as little as 6% and using millage rates that are either fixed for the term of the incentive or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for enhanced investments, that is, those projects creating at least 125 new jobs and providing new invested capital of not less than \$150 million, projects with a total investment of \$400 million by a single sponsor and certain defined economic development projects. For these enhanced investments the fee-in-lieu of tax payments may be negotiated based on assessment ratios as low as 4% and for a term up to 50 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty or business industrial park (“MCIP”) are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more contiguous counties with individual sites being determined primarily by the county in which the site is located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also utilize the payments in lieu of taxes derived from an MCIP for its own corporate purposes or those of other taxing entities in that county by altering the distribution percentages for the payments by ordinance.

Several of the largest taxpayers in the County pay a “fee-in-lieu of taxes” with respect to new manufacturing projects, and each year new fee-in-lieu of tax arrangements are made with other new manufacturing investments.

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Finance Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing

entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

If a county, municipality, or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its general obligation debt limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a debt limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the debt limit of the political subdivision.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project as a means for the owner to pay for costs incurred from economic development activities. If a county, municipality, or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the same limitations on calculation of its debt limit as described in the preceding paragraph.

Although school districts of the State are not authorized to pledge payments in lieu of taxes or grant a credit against such payments as described above, that portion of payments in lieu of taxes from a project which would otherwise be paid to a school district may, by inclusion of the project in an MCIP, be, in effect, diverted to a county government and thus pledged or made subject to a credit against payments of the fee.

Property Tax/Assessment Legislation

As described above, Act 388 limits the annual growth in millage levied by political subdivisions for operations.

Local Option Sales Tax for Additional Tax Relief

Act 388 further authorizes the imposition within a county, subject to approval by referendum, of a local sales tax to provide additional property tax relief. The local sales tax authorized by Act 388 may only be imposed to the extent necessary to provide a 100% credit to all classes of taxable property against (a) county operating taxes, (b) school operating taxes, or (c) both, as set forth on the referendum ballot. In no event, however, may the rate of the local sales tax exceed one percent. Act 388 also provides a procedure for rescinding this local sales tax, as well as any other local sales taxes in force as of June 1, 2006.

Reassessment Valuations Limited

Act 388 provides that the growth in valuation of real property attributable to reassessment may not exceed 15% for each five-year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, at the sale (or other "assessable transfer of interest" including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses) of any real property that real property will be reassessed at its market value.

However, for property subject to an assessment ratio of 6%, Act No. 57 of the 2011 Acts of the General Assembly ("Act 57"), limits reassessment of such real property to its market value following an "assessable transfer of interest." If such property undergoes an "assessable transfer of interest," then, pursuant to Act 57, such property is reassessed at the "exempt value" instead of the market value at the time of "assessable transfer of interest." The "exempt value" is calculated by reducing the real property's market value at the time of the "assessable transfer of interest" by up to 25%. The "exempt value" may not be less than the real property's value as reflected on the books of the assessor for the current property tax year. If the market value at the time of the assessable transfer of interest is less than the real property's value as reflected on the assessor's books, then the market value is used as the assessment.

Millage Levy Limited

Act 388 limits annual incremental increases in the rate of millage levied for operational purposes by all political subdivisions and school districts. Annually, a political subdivision or school district may only incrementally increase its millage rate for operations in an amount not to exceed the sum of (a) the increase in the consumer price index, plus (b) the

rate of population growth of the political subdivision or school district. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision or school district, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

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Revenue-Expenditure Summary

The following is a summary of the General Fund revenues and expenses of the County for fiscal years ended June 30, 2018 through 2022 (as prepared from audited financial statements) and the 2023 Budget. Included as Appendix A to this Official Statement is a portion of the County's Audited Financial Statements for Fiscal Year 2022. The County's independent public accountant did not review this Official Statement, nor did it perform any procedures related to any of the information contained in this Official Statement.

	<u>Fiscal Years ended(ing) June 30 (000's omitted)†</u>					
	2018	2019	2020	2021	2022	2023 Budget
REVENUES						
Property Taxes	\$34,663	\$36,428	\$36,826	\$38,732	\$41,696	\$39,796
Licenses and permits	3,558	4,252	4,057	4,756	4,888	4,834
Intergovernmental	4,440	4,287	5,195	6,426	7,120	8,116
Charges for service	235	228	231	242	258	303
Fine and forfeitures	2,051	2,193	2,054	2,555	4,086	3,195
Interest revenue	359	982	903	76	-	900
Miscellaneous	174	176	211	267	439	242
Total Revenues	45,480	48,547	49,478	53,053	58,483	57,387
EXPENDITURES						
General government	12,234	10,301	11,063	13,229	15,790	13,013
Public safety	18,652	21,479	21,040	23,947	23,362	23,571
Transportation	3,627	4,271	3,727	3,996	4,820	4,933
Public Works	4,281	4,196	4,372	4,945	5,437	6,142
Culture/Recreation	2,852	3,016	3,740	3,367	3,556	4,002
Judicial Services	2,664	2,719	2,940	2,957	3,378	3,707
Health and welfare	264	234	231	233	285	267
Economic development	1,109	621	564	581	531	666
Debt Service:						
Principal	826	895	929	1,331	798	679
Interest	53	53	31	71	88	67
Bond issuance costs	20	-	23	-	-	-
Total Expenditures	46,584	47,785	48,661	54,658	58,045	57,047
Excess (deficiency) of revenues over (under) expenditures	(1,104)	762	817	(1,605)	438	340
Other financing sources (uses):						
Transfers in	534	972	790	796	1,095	1,374
Transfers out	(3,133)	(199)	(275)	(140)	(1,719)	(85)
Insurance Recoveries	152	232	51	1	144	77
Financed purchase agreement	-	-	2,200	-	1,360	-
Lease Proceeds	-	-	-	-	295	-
Sale of capital assets	-	67	12	-	1	-
Total other financing sources (uses)	(2,447)	1,072	2,777	658	1,175	1,366
Net change in fund balances	(3,551)	1,834	3,594	(947)	1,613	1,705
Fund balances at beginning of year, as restated	23,736	20,186	22,020	25,614	24,667	26,280
Fund balances at end of year, as restated	20,186	22,020	25,614	24,667	26,280	27,985

†Totals may not add due to rounding

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Assessed Values of the County

The assessed value and estimated actual value of all taxable property in the County for the last ten fiscal tax years for which such information is available is set forth below (000's omitted, totals may not add due to rounding).

Fiscal Year Ended June 30	Real Property	Personal Property	Other [†]	Total Taxable Assessed Value	Total Direct Tax rate	Estimated Actual Taxable Value	Taxable Assessed Value as a % of Actual Taxable Value
2013	\$318,171	\$35,811	\$161,575	\$515,557	69.0	\$9,047,218	5.70%
2014	322,552	41,213	157,530	521,295	71.0	9,142,100	5.70%
2015	320,743	40,299	164,301	525,343	71.0	9,169,352	5.73%
2016	323,167	42,705	180,422	546,294	71.0	9,438,561	5.79%
2017	333,937	42,505	183,479	559,921	71.0	9,511,693	5.89%
2018	335,400	42,664	190,688	568,752	71.0	9,622,041	5.91%
2019	342,029	44,397	190,206	576,632	72.7	9,827,455	5.87%
2020	349,404	48,724	171,731	569,859	77.4	9,870,473	5.77%
2021	360,945	52,374	186,069	599,388	77.4	10,326,755	5.80%
2022	378,414	57,131	209,036	644,581	76.4	10,952,701	5.89%

Source: Oconee County Auditor

Note: The 2015 reassessment was delayed one year by County Council vote and was implemented in year end June 30, 2018.

[†]Includes Manufacturing, Merchants Inventory, BMW, FILOT, Homestead Exemption, Motor Carrier and penalties.

The assessed value and estimated market value of all taxable property in the County for fiscal year 2022 is set forth below (000's omitted, totals may not add due to rounding).

Classification of Property	Assessed Value	Estimated Market Value
Owner Occupied Residential (4%)	\$ 192,864	\$ 4,821,600
Agricultural (4%)	2,231	55,763
Agricultural (6%)	186	3,104
Other Parcels (6%)	183,133	3,052,218
Real and Personal Manufacturing Property (6% for FILOT and 10.5% for remaining classifications included)	1,584	15,093
Total Real Property	\$ 379,999	\$ 7,947,778
Motor Vehicles (6%)	\$ 43,573	\$ 726,212
Watercraft and Motors (10.5%)	13,445	128,049
Aircraft (4%)	113	2,833
Fee-in-Lieu (FILOT) and Joint Industrial Park (6%)	23,967	399,453
Manufacturing Personal Property and Reimbursement (10.5%)	4,569	43,510
Utility Property (10.5%)	161,633	1,539,362
Railroad and Pipeline Property (9.5%)	907	9,548
Business Personal Property (10.5%)	7,281	69,346
Business Personal Property Lock-In (10.5%)	1,152	10,971
Motor Carrier Reimbursement Assessment	7,942	75,638
Total Personal Property	\$ 264,582	\$ 3,004,923
Grand Total	\$644,581	\$ 10,952,701

Source: Oconee County Auditor

Tax Collection Record

The following table shows all of the County property tax levies and collections for the last ten fiscal tax years for which such information is available (000's omitted, totals may not add due to rounding).

Fiscal Year Ended June 30 th	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Tax Collections to Date	
		Amount	Percentage of Levy	Delinquent Collections	Amount	Percentage of Levy
2013	\$35,707	\$34,513	96.66%	\$901	\$35,414	99.18%
2014	36,786	35,519	96.56%	736	36,255	98.56%
2015	37,439	36,299	96.96%	704	37,003	98.84%
2016	40,371	39,276	97.29%	698	39,974	99.02%
2017	41,053	40,032	97.51%	825	40,857	99.52%
2018	42,031	40,697	96.83%	1,004	41,701	99.21%
2019	43,593	42,455	97.39%	900	43,355	99.45%
2020	45,760	44,455	97.15%	1,205	45,660	99.78%
2021	48,131	46,843	97.32%	1,180	48,023	99.78%
2022	49,182	48,132	97.87%	981	49,113	99.86%

Source: Oconee County Treasurer

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Millage History

The following table shows direct and overlapping property tax rates for the last ten fiscal years for which such information is available.

	Fiscal Year									
<u>County Direct Rates</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating	58.90	57.60	57.60	57.60	60.40	60.30	62.50	63.90	63.90	63.90
Debt service	6.00	6.00	6.00	6.00	3.20	3.50	3.00	3.00	3.00	2.00
Economic development	1.00	2.20	2.20	2.20	2.20	1.10	1.10	2.40	2.40	2.40
Bridges and culverts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital vehicle and equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00
Road maintenance	0.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Tri-County Tech operations	<u>2.10</u>	<u>2.10</u>	<u>2.10</u>	<u>2.10</u>	<u>2.10</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	3.00
Total County Millage	<u>69.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>72.70</u>	<u>77.40</u>	<u>77.40</u>	<u>76.40</u>
<u>Overlapping Rates School District</u>										
Operations	110.10	110.10	110.10	110.10	110.10	115.30	115.30	116.50	116.50	115.70
Debt service	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>	<u>31.00</u>
Total School Millage	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>146.30</u>	<u>146.30</u>	<u>147.50</u>	<u>147.50</u>	<u>146.70</u>
<u>Special District Rates</u>										
Town of Salem	32.40	34.90	36.40	36.40	36.40	37.00	37.00	37.00	37.00	37.00
City of Seneca	52.30	55.30	55.30	55.30	59.30	60.50	62.70	62.70	62.70	62.70
City of Walhalla	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Town of West Union	44.00	46.00	48.30	48.30	48.80	48.80	50.30	80.30	50.30	51.80
City of Westminster	90.70	90.70	99.30	99.30	99.30	99.30	99.30	99.30	99.30	99.30
Unincorp. Fire Special District	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Keowee Fire Special District	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>14.50</u>	<u>17.50</u>	<u>17.50</u>
Total Special District Millage	<u>320.80</u>	<u>328.30</u>	<u>340.7</u>	<u>340.70</u>	<u>345.20</u>	<u>347.00</u>	<u>350.70</u>	<u>380.70</u>	<u>353.70</u>	<u>355.20</u>
Total Direct & Overlapping Rates	<u>530.90</u>	<u>540.40</u>	<u>552.8</u>	<u>552.80</u>	<u>557.30</u>	<u>564.30</u>	<u>569.70</u>	<u>605.60</u>	<u>578.60</u>	<u>578.30</u>

Source: Oconee County Auditor

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Ten Largest Taxpayers

The ten largest taxpayers in the County based on their respective assessed values and the percentage of total assessed value of the taxable property of each taxpayer for the fiscal years 2021 and 2022 (000's omitted, totals may not add due to rounding) are shown below.

Taxpayer	Fiscal Year 2022 (Tax Year 2021)				Fiscal Year 2021 (Tax Year 2020)			
	Assessed Value	Rank*	Percentage of Total Assessed Value	Taxes Paid	Assessed Value	Rank*	Percentage of Total Assessed Value	Taxes Paid
Duke Energy Corporation	\$180,925	1	28.07%	\$36,379	\$153,256	1	25.57%	\$ 32,995
Blue Ridge Electric Coop Inc.	10,520	2	1.63	2,303	8,540	2	1.42	1,954
Borg Warner Torg Systems, Inc.	5,431	3	0.84	1,183	5,259	3	0.88	1,198
Sandvik Inc.	3,418	4	0.53	744	3,428	5	0.57	778
BASF Catalyst, LLC	3,260	5	0.51	710	3,541	4	0.59	807
Cryovac Inc.	2,928	6	0.45	638	2,844	6	0.47	645
Clairos, LLC	2,851	7	0.44	503	2,488	8	0.42	480
Itron Electricity Metering Inc.	2,640	8	0.41	573	2,374	9	0.40	461
Epoch Clemson, LLC	2,389	9	0.37	521	-	-	-	-
US Engine Valve Company	2,389	10	0.37	460	2,653	7	0.44	524
BASF Corporation	-	-	-	-	2,155	10	0.36	491
Totals	<u>\$216,751</u>		<u>33.63%</u>	<u>\$44,014</u>	<u>\$186,538</u>		<u>31.12%</u>	<u>\$40,333</u>
Total Assessed Value of County	<u>\$644,581</u>				<u>\$599,388</u>			

Source: Oconee County Auditor

*Ranking based on assessed value of taxpayer as a percent of the total assessed value of the County

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DEBT STRUCTURE

Legal Debt Limit of the County

Section 14 of Article X of the State Constitution provides that the counties of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property without the necessity of conducting a referendum and provides further that no bonded indebtedness approved in a referendum, or any refunding thereof, shall be charged against such 8% debt limitation.

The County's general obligation bond debt as of June 30, 2022, is computed below:

Assessed Values of the County	\$644,580,960
Debt limit 8% of total assess value	51,566,477
Debt applicable to limit:	
General Obligation Bonds	\$9,890,000
Legal debt margin	<u>\$41,676,477</u>

Source: County Auditor and County Treasurer

Outstanding General Obligation Indebtedness

The following table sets forth the ratios of general bonded debt outstanding for the last ten fiscal years for which such information is available:

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total Net Bonded Debt		
2013	\$ 20,806,549	\$ 1,440,108	\$ 19,366,441	3.76%	\$ 259
2014	17,839,292	1,095,802	16,743,490	3.21%	224
2015	15,645,178	1,682,706	13,962,472	2.66%	184
2016	13,380,747	1,628,323	11,752,424	2.15%	154
2017	15,311,581	352,295	14,959,286	2.67%	194
2018	14,174,077	1,051,918	13,122,159	2.31%	169
2019	13,510,332	1,414,846	12,095,486	2.01%	148
2020	13,022,485	1,717,787	11,304,698	1.98%	142
2021	11,604,809	2,107,893	9,496,916	1.58%	119
2022	10,268,283	2,037,867	8,230,416	1.28%	104

Source: County Finance Department

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The following table sets forth the final maturity, amount issued and outstanding principal amount of the County's existing general obligation debt (excluding special districts) by issue:

<u>Debt</u>	<u>Date of Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding as of June 30, 2022</u>
2013 Series General Obligation Bonds	2028	\$2,600,000	\$1,190,000
2016B Series General Obligation Bonds	2026	3,300,000	1,530,000
2020 Series General Obligation Refunding Bonds	2031	<u>8,000,000</u>	<u>7,170,000</u>
TOTAL		\$13,900,000	<u>\$9,890,000</u>

Composite Debt Service

The following table sets forth the principal and interest requirements of the County on its present general obligation debt (excluding special districts) including principal of and interest on the Bonds.

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,329,000	\$ 667,508	\$ 1,996,508
2025	1,351,000	1,376,300	2,727,300
2026	1,377,000	1,352,025	2,729,025
2027	1,260,000	1,326,465	2,586,465
2028	1,290,000	1,294,309	2,584,309
2029	1,320,000	1,261,250	2,581,250
2030	1,360,000	1,224,032	2,584,032
2031	1,400,000	1,185,165	2,585,165
2032	1,440,000	1,145,000	2,585,000
2033	1,510,000	1,073,000	2,583,000
2034	1,585,000	997,500	2,582,500
2035	1,665,000	918,250	2,583,250
2036	1,750,000	835,000	2,585,000
2037	1,835,000	747,500	2,582,500
2038	1,930,000	655,750	2,585,750
2039	2,025,000	559,250	2,584,250
2040	2,125,000	458,000	2,583,000
2041	2,230,000	351,750	2,581,750
2042	2,345,000	240,250	2,585,250
2043	<u>2,460,000</u>	<u>123,000</u>	<u>2,583,000</u>
	<u>\$33,587,000</u>	<u>\$17,791,304</u>	<u>\$51,378,304</u>

Future Borrowing Plans

The County presently has no plans for the issuance of additional indebtedness under its available constitutional debt limit.

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Overlapping Debt

The following table shows local subdivisions which overlap the County and which had outstanding general obligation debt as of June 30, 2022.

Overlapping Debt			
<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School District of Oconee County	55,223,457	100%	55,223,457
<u>Incorporated Municipalities</u>			
Town of West Union	-	0.27%	-
Town of Salem	-	0.13%	-
City of Walhalla	1,075,008	1.45%	15,552
City of Westminster	-	1.06%	-
City of Seneca	2,559,971	6.26%	160,141
<u>Special Purpose Districts</u>			
Unincorp. Fire Special District	-	82.55%	-
Keowee Fire District	<u>370,525</u>	8.29%	<u>30,701</u>
Total Estimated Share of Overlapping Debt			<u>55,429,851</u>

Other Commitments

Financed Purchases. The County has entered into agreements for financing the acquisition of equipment. These agreements qualify as financed purchases and have been recorded at the present value of the future minimum payments as of the date of their inception.

Governmental Activities. The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>
2023	\$ 1,031,266
2024	1,035,419
2025	992,512
2026	530,916
2027	536,172
Thereafter	<u>2,386,038</u>
Total Minimum Payments	6,512,323
Less: Amount Representing Interest	<u>(543,338)</u>
	<u>\$ 5,968,985</u>

Business-type Activities. The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

<u>Fiscal Year Ending June 30</u>	<u>Business-type Activities</u>
2023	\$ 702,452
2024	702,452
2025	702,452
2026	702,452
2027	702,452
2028-2030	<u>2,107,356</u>
Total Minimum Payments	5,619,616
Less: Amount Representing Interest	<u>(915,470)</u>
	<u>\$ 4,704,146</u>

Leases. The County has entered into multiple noncancellable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.1442% to 1.1875%. As of June 30, 2022, the County has \$365,603 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2022, including interest payments are as follows:

Year Ending June 30	Leases		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 170,126	\$ 6,521	\$ 176,647
2024	61,219	4,481	65,700
2025	58,457	2,743	61,200
2026	46,352	1,348	47,700
2027	<u>29,449</u>	<u>295</u>	<u>29,744</u>
	<u>\$ 365,603</u>	<u>\$ 15,388</u>	<u>\$ 380,991</u>

Special Source Refunding Revenue Bonds. During 2014, the County issued special source refunding revenue bonds in the amount of \$2,933,000 to redeem the 2010 series special source revenue bonds, which were issued to finance the Pointe West project. These bonds are limited obligations of the County and are payable solely from the fee-in-lieu of tax revenues. The bonds are payable in annual installments through 2025 and have an annual interest rate of 2.85%.

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

Year Ending June 30	Special Source Refunding Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 294,000	\$ 25,907	\$ 319,907
2024	303,000	17,528	320,528
2025	<u>312,000</u>	<u>8,892</u>	<u>320,892</u>
	<u>\$ 909,000</u>	<u>\$ 52,327</u>	<u>\$ 961,327</u>

ECONOMIC CHARACTERISTICS

Commerce and Industry

The County was incorporated in 1868 and is situated in the northwest corner of South Carolina in the Blue Ridge foothills and mountains. Five incorporated municipalities exist within the 654 square miles of the County. The City of Walhalla is the County seat and is home to the Oconee County School District and County administrative offices. The County has four lakes. Lake Keowee and Lake Jocassee are known for their pristine waters, mountain views, watersports with over 300 miles of shoreline on Lake Keowee and 75 miles on the more secluded Lake Jocassee. At the southern end of the County, Lake Hartwell has 55,950 acres of water and 962 miles of shoreline and is one of the Southeast's largest and most popular public recreation lakes. Lake Hartwell is the host to many professional bass fishing tournaments, including the B.A.S.S. National Championship and the BFL All-American Tournaments. Lake Tugalo is a 597-acre lake with 18 miles of shoreline in the mountainous region of the County. The lake is fed by the Chattooga and Tallulah Rivers.

The County is home to an industrial base of over 60 manufacturers ranging in size from 3 to over 1,000 employees. There are three County-owned industrial parks (all certified by the South Carolina Department of Commerce) with over 525 buildable acres and all utilities on-site. The Oconee Industry & Technology Park (OITP) contains over 150 buildable acres located on Highway 11. OITP is a manufacturing park positioned strategically between Atlanta, Georgia & Charlotte, North Carolina and just minutes from Greenville, South Carolina. The County innovatively joined forces with Tri-County Technical College and the School District of Oconee County when constructing OITP, and included both a technical college campus and Career Center campus at the OITP. This has resulted in industries being able to recruit and train on-site. The Golden Corner Commerce Park (GCCP) is a manufacturing/warehouse/distribution park containing over 260 buildable acres located just north of Interstate 85 on SC Highway 59. GCCP is positioned strategically between Atlanta, Georgia and Charlotte, North Carolina and just minutes from Greenville, South Carolina. Seneca Rail Park (SRP) is a rail-served (Norfolk Southern) manufacturing park containing 128 buildable acres near U.S. Highway 123. In addition to its close proximity to Clemson University, SRP has been designated as a certified fiber-ready industrial park, the first industrial park in Upstate

South Carolina to receive this designation. SRP is also within a New Market Tax Credit Zone and a designated Qualified Opportunity Zone with federal incentives.

The County continues improvements to the three County-owned industrial parks with a focus on continuing to make sites ready for companies seeking to expand operations. In 2021, Horton Holding, Inc., a premium provider of engine-cooling solutions opened a 115,000-sf manufacturing facility located within the OITP and created 125 jobs.

In August 2022, Impact Housing Group, a manufacturer of modular design housing, announced plans to establish operations at the Oconee Industry & Technology Park. The company's \$30 million investment will create 215 new jobs over the next five years. Operations are expected to be online by February 2024.

In May 2023, CurTec, a manufacturer of sustainable, high-performance packaging, opened its first US facility in Oconee County. Based in Rijen, Netherlands and founded in 1991, CurTec produces plastic drums, pails, and jars for leading pharmaceutical, specialty chemicals and food ingredients companies. A Good Manufacturing Practice Certified company, CurTec will conduct blow molding, injection molding, assembly, and distribution operations at the Oconee County facility. The company's \$13 million investment will create 32 new jobs over the next five years.

Recreation and Tourism. The boundaries of the County are formed by its numerous rivers and lakes which provide the basis for the County's growing recreational and travel industry. Recreational resources include the Sumter National Forest, four State parks, three County parks, eight County boat ramps, nature and hiking trails, multiple camping areas, and some smaller parks and recreation facilities. The County is surrounded by Lake Hartwell to the south, Lakes Keowee and Jocassee to the east, the Tugaloo River to the southwest, and the Chattooga River to the northwest. Lake Hartwell, which consists of 55,950 acres, was completed in 1962 by the United States Army Corps of Engineers. The two other manmade lakes, Keowee and Jocassee, were created in 1972 and 1973, respectively, by Duke Power Company's Keowee-Toxaway hydro-nuclear energy project, one of the world's largest operative nuclear stations. A total of 1,337 miles of shoreline is provided by these three lakes. There are also hundreds of miles of hiking trails, and over 100 waterfalls. It is home to the Jocassee Gorges, named one of the Top 50 Destinations of a Lifetime by National Geographic. The Jocassee Gorges are 50,000 acres of forestlands featuring one of the highest concentrations of waterfalls in the eastern United States.

Sumter National Forest is located within the northwestern portion of the County at almost 84,000 acres of the nearly 371,000 acre Sumter National Forest – one of only two national forests in the State. The forest was established in 1936 and is managed by the USDA Forest Service for multiple uses including watershed protection and improvement, timber and wood production, habitat for wildlife and fish species, wilderness area management, and recreation. The Andrew Pickens Ranger District ("District") in Oconee County is one of three ranger districts that comprise the Sumter National Forest. Management of the District emphasizes habitat restoration and enhancement for a diverse range of wildlife and plant species. Popular attractions in the District include hunting, fishing, hiking, fall color sightseeing, camping, horseback riding, and whitewater rafting and kayaking on the Chattooga River.

There are four State parks within the County, Devils Fork, Lake Hartwell, Oconee, and the Oconee Station Historic Site. Devils Fork State Park is located on Lake Jocassee near S.C. Highway 11. The 644-acre park provides the only public access to the lake, with four boat ramps and a courtesy dock. This park also provides 20 lakeside villas, 59 campsites with water and electricity, 25 tent camping sites, two picnic shelters, two playgrounds, an indoor meeting room, a two-mile hiking trail, a one-mile nature trail, and a campground that is accessible only by boat. Devils Fork is located in the middle of the Jocassee Gorges and includes several waterfalls accessible only by boat. Lake Hartwell State Park is located in the southern area of the County in the Fair Play community near Highway 11. The 680-acre park includes 14 miles of Lake Hartwell shoreline. The park provides two boat ramps, a courtesy dock, and a 140-foot fishing pier. Also provided are 115 campsites with water and electricity, 13 walk-in tent sites, two camper cabins, a 0.75-mile nature trail, two playgrounds, and a picnic shelter. Oconee State Park is located in the Mountain Rest community near S.C. Highway 107. The 1,165-acre park was built by the Civilian Conservation Corps in the 1930s and is on the National Register of Historic Places. The park offers 139 standard campsites with water and electricity, 15 designated rustic tent sites, 19 historic cabins, four picnic shelters, three playgrounds, two lakes that can be used for fishing and boating, a swimming area with lifeguards, and an 18-hole miniature golf course. Oconee State Park includes six trails ranging from easy to strenuous in difficulty and serves as the southern trailhead for the Foothills Trail, the State's 77-mile wilderness hike on the Blue Ridge Escarpment. The Oconee Station State Historic Site is located north of Walhalla near S.C. Highway 11 on Oconee Station Road. Originally used as a military compound, and later a trading post, the 210-acre Historic Site provides a unique representation of 18th and 19th century

South Carolina. The site includes two buildings on the National Register of Historic Places - a stone blockhouse built in 1792 as an outpost for the S.C. State Militia and the William Richards House, built in 1805. The Site also includes a four-acre fishing pond, a 1.5-mile nature trail, the four-mile Oconee Connector trail that joins Oconee Station with Oconee State Park, and the 60-foot Station Cove Falls waterfall at the end of the nature trail.

There are 29 County and municipal outdoor park and recreation facilities encompassing nearly 572 acres in the County. Eleven of the parks and facilities are owned and maintained by the County, eight by the City of Seneca, seven by the City of Walhalla, five by the City of Westminster, and one by the Town of West Union.

These resources highlight the abundance of natural resources in the County and accommodate a wide range of outdoor activities. Visitors to these parks enjoy access to hiking trails, boating, fishing, camping, and swimming. Active opportunities include a disc golf course, public pool, baseball, softball and soccer fields, and courts for basketball, tennis, pickleball, horseshoes, and volleyball.

As the County contains a significant amount of public lands and recreation opportunities, tourism provides a considerable contribution to the local economy, and is especially important to local small businesses. To continue building on the momentum of Destination Oconee, a plan approved in 2015 that focuses on tourism centric improvements to both existing infrastructure and new tourism capital, County Council moved forward with a dedicated capital millage for Parks, Recreation & Tourism in 2019. This millage, along with increased accommodations taxes, have provided the funds necessary to continue to drive tourism in our community and create a sense of place within our municipal downtowns.

The County completed a number of infrastructural and aesthetic upgrades to the County-operated park system in 2021, including the installation of two new courtesy docks, one each at High Falls County Park and South Cove County Park, that are twice the size of the aging infrastructure they replaced. In addition, to handle increased camping demand at South Cove Park, a second RV dump station was constructed that doubles the space available for campers to use during their stay. The County also took over the management lease of the ten boat ramps and recreation areas on Lake Hartwell. These access areas were previously managed by the Corps of Engineers but were being considered for permanent closure. During 2021, Oconee County Council also approved a major upgrade to the Seneca Creek Access Area on Lake Hartwell. This improvement included a new 3-lane boat ramp, fishing pier, courtesy docks, kayak launch, restroom, and picnic area. The renovated access area is under video surveillance in partnership with Clemson University and accommodates parking for up to 50 vehicles and trailers. Various tourism promotions and campaigns for outdoor recreation helped to cement Oconee County's status as a popular attraction during the Covid-19 pandemic resulting in the third year in a row that each of the County's parks have seen record-highs for the number of visitors.

An additional asset to the County's tourism impact is the extension of the Palmetto Trail to Stumphouse Park and the addition of the Stumphouse Mountain Bike Trail, operated by the City of Walhalla. This trail provides bike access from both the parking area and from Oconee State Park with over 10 miles of mountain bike trails. The County continues to see revenue increases with the local accommodations tax and the municipalities have seen that same increase along with increased revenues with their hospitality taxes and business license fees. These increases provide ongoing support for maintenance and tourism capital in all areas of our community.

Education. The County's school district consists of 10 elementary schools, three middle schools, three high schools, and three specialized schools, including the Hamilton Career and Technology Center, the Oconee Academy, and the Oconee County Adult Education. Approximately 10,232 pupils were enrolled in public school systems in the County as of October 2022. All public schools are fully accredited, and all teachers fully certified by the South Carolina Department of Education. The County's school district offers several academic options including gifted & talented education programs; more than 20 advanced placement classes; multiple options for dual credit classes; and a state-of-the-art career & technology center with a broad array of programs.

The County's Workforce Development Campus is an innovative combination of education and industry. Located within the Oconee Industry and Technology Park (described previously herein), this campus is home to Tri-County Technical College as well as the school district's Hamilton Career Center. It is the only campus of its kind in the Southeast, with close proximity of manufacturing-aligned educational facilities to new and established manufacturing companies which gives opportunities for co-ops, internships, recruiting and on-site training.

The Hamilton Career and Technology Center offers several student certification programs, including ICAR Pro Level 1 & 2 , ASE (Automotive Service Excellence), S/P2 Auto Collision, OSHA, CPR, AED, First Aid, Microburst Learning Employability Soft Skills, Emergency Medical Responder, Emergency Medical Technician, AWS (American Welding Society), Family & Consumer Science Culinary, Firefighter and Certified Nursing Assistant. During the 2021-2022 school year the Hamilton Career and Technology Center saw 84 internships completed, 437 industry recognized credentials earned, and 250 students who completed a career pathway.

Tri-County Technical College ("TCTC") Oconee Campus serves as the local community college for the County. TCTC is one of 16 public, two-year colleges that comprise the S.C. Technical Education System. TCTC serves a combined enrollment of 6,082 in its three-county service area from its main campus in Pendleton, as well as through satellite campuses in each of the three counties. The TCTC Oconee campus is located at the Oconee Industry and Technology Park (described previously herein). The campus is designed to support regional manufacturing with programs that include CNC Programming and Operations, Manufacturing Management and Leadership, Business Administration and Operations Management, Industrial Electronics Technology, and Mechatronics. TCTC's Oconee campus also offers dual enrollment for area high school students, university transfer courses, and S.C. Manufacturing Certification. The campus is also home to the School District of Oconee County Career Center. The TCTC Oconee campus colocation with the SDOC career center and local industry forms an innovative center for technical education, work-based learning, and economic development.

The Oconee Academy offers a program that offers an alternative to the traditional middle and high school setting. It provides services to students in grades seven through twelve who are experiencing difficulty at their home school. Students with frequent discipline problems and academic deficiencies are considered for acceptance into the program. Enrollment into the program is decided by administration at a student's home school, and by the Director of Student Services. Students attending this program receive intense instruction in life skills and are placed on a behavior management system.

Facilities Located Within or Serving the County

Utilities. Located within the County are five incorporated municipalities which include the Towns of Salem, West Union, and the Cities of Seneca, Walhalla and Westminster. Each of these provides fire and police protection to its residents by municipally-funded departments, in addition to servicing non-municipal areas bordering each municipality, funded by the County. All other rural residents are served by the Oconee County Rural Fire Control System which presently operates 17 stations.

Water services are primarily the responsibility of the municipalities within the County although some areas within the County are served by the Pioneer Water District. The Oconee Joint Regional Sewer Authority, whose members are appointed by each of the three member cities, owns and operates the pumping facilities and a treatment plant near Seneca. This system is entirely self-supporting by member fees. The Commission has no authority to levy a tax to finance its system or operations. The County also owns more than 13 miles of lines, and a pump station located at GCCP.

The major power supplier in the County is Duke Energy, followed by Blue Ridge Electric Cooperative and the cities of Seneca and Westminster. There is one private power producer which wholesales all of the power it generates to these entities and has no retail customers.

Transportation. The County has approximately four miles of direct frontage on Interstate 85, with four interchanges between two major cities: Atlanta, Georgia and Charlotte, North Carolina. U.S. Highways 123 and 76 traverse the County, as well as South Carolina Highways 28, 183, 130, 59, and 11. Of the 1,700 miles of roads in the County, more than 1,000 are federal and state highways maintained by the State of South Carolina. These transportation corridors open employment, shopping, and recreation opportunities to residents and provide workers with access to employers.

Rail service offers a cost-effective option for manufacturers that require bulk raw materials and shipment of finished products. Oconee County is bisected by the main Norfolk Southern rail line that links Charlotte, North Carolina with Atlanta, Georgia. The line provides direct access to the County's Seneca Rail Park.

Located between Seneca and Clemson, the Oconee County Airport offers a 5,000-foot runway, GPS navigation systems, and general aviation support services and amenities that can accommodate the needs of smaller recreational aircraft as well as larger turboprops and business jets. Commercial passenger service for domestic and international flight connections is accessible at the Greenville-Spartanburg International Airport (GSP) within an hour drive. Six major airlines serve more than 2.3 million passengers through an average of 50 non-stop flights to 19 major airports daily. GSP handles 60,000 tons of cargo annually and is the site of a 120,000 ft FedEx cargo facility. The Hartsfield-Jackson Atlanta International Airport (ATL)

is a two-hour drive to the west. As the world’s busiest airport, ATL provides international and domestic flights to more than 100 million passengers each year to 150 domestic and 75 international destinations. Both airports offer significant air freight capacity that includes large shipping distribution facilities.

Traditional port service for the County businesses is available through South Carolina seaports at terminals in Charleston and Georgetown. The Port of Charleston ranks as one of the busiest container ports on the East coast and provides the primary port service for State businesses. The facility handles 2.2 million twenty-foot equivalent units (TEUs) annually, while moving 760,500 tons of breakbulk cargo. The first South Carolina Inland Port opened in Greer in 2013, extending the Port of Charleston’s reach to the Upstate, and within 60 miles of the County. The inland port provides access to more than 95 million consumers a day and boosts intermodal efficiency for international freight movements between the Port of Charleston and companies located across the Southeast.

Medical Facilities. Prisma Health Oconee Memorial Hospital has been caring for the residents of the greater Oconee County community since 1939. It consists of a 169-bed hospital featuring services including a 20-bed emergency department, an open intensive care unit, comprehensive labor and delivery unit, inpatient pediatric unit, a breast care center, inpatient hospice and palliative care services, and a non-invasive heart catheterization lab. It has earned several accolades and awards including, 2022 Hospital Safety Grade of A by The Leapfrog Group, Baby-Friendly Hospital by the Baby-Friendly Hospital Initiative designation, top 10% in U.S. in heart failure and chronic obstructive pulmonary disease (COPD) care, Primary Stroke Center certification by The Joint Commission and American Heart Association/American Stroke Association; honored by the American Heart Association for high quality stroke care: 2020 Get With The Guidelines®-Stroke Silver Plus achievement award; named a Blue Distinction Center+® for maternity care and a Blue Distinction Center® for hip and knee replacements by BlueCross BlueShield of South Carolina, and recipient of four Zero Harm awards for patient safety from the South Carolina Hospital Association.

The Center for Family Medicine – Oconee is a 14,000 square foot state-of-the-art family medicine clinic. It is located on the campus of Oconee Memorial Hospital. It includes 24 exam rooms, 2 treatment rooms, in-house laboratory, and X-ray suite. The clinic is also home to the Seneca Family Medicine Residency program. It is a rural family medicine residency program dedicated to the training of future-oriented family medicine physicians prepared to engage in sustainable, full-spectrum, rural family medicine. This program is affiliated with a major hospital organization, Prisma Health, and a medical school, the University of South Carolina School of Medicine Greenville.

Population Growth

The following table shows population information for the County for the last four decades for which information is available and a July 1, 2022, estimate.

Calendar	
<u>Year</u>	<u>County</u>
1990	57,688
2000	66,434
2010	74,348
2020	78,778
2022	80,180

Source: U.S. Census Bureau

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Per Capita Income

The per capita income for the County, the State, and the United States, for each of the last five calendar years for which information is available is shown below:

Calendar Year	County	State	U.S.
2018	\$41,891	\$44,144	\$53,786
2019	43,882	46,681	56,200
2020	45,004	49,095	59,763
2021	47,511	52,441	64,117
2022	49,645	53,320	65,423

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Median Household Income

The median household income for the County, the State, and the United States, for each of the last five calendar years for which information is available is shown below:

Fiscal Year	County	State	U.S.
2017	\$ 51,087	\$ 54,537	\$ 61,136
2018	50,529	57,444	63,179
2019	52,240	62,028	68,703
2020	58,061	60,341	68,010
2021	53,432	62,542	70,784

Source: U.S. Census Bureau, S.C. Revenue and Fiscal Affairs Office

Median Age and Education Levels

The U.S. Census Bureau reports that the median age of the population of the County was 47.2 in 2020 (the latest year available). In 2021, the last year for which complete statistics are available, 86.1% of the County population 25 years or older have obtained a bachelor's degree or higher.

Construction

The following table provides the approximate number and the associated value of building permits (including new construction, mobile homes, and additions) issued for the County for the fiscal years indicated:

Fiscal Year	# of Permits	Residential	# of Permits	Commercial
		Value of Permits		Value of Permits
2016-2017	1068	\$ 95,922,802.60	197	\$ 115,008,208.20
2017-2018	1213	115,008,218.20	159	23,984,656.08
2018-2019	1080	132,420,992.04	127	20,423,806.58
2019-2020	1424	141,503,140.68	225	85,778,885.83
2020-2021	1217	147,118,122.72	137	79,164,422.22
2021-2022	1363	190,352,408.25	150	18,503,052.38

Source: Citizenserve / Oconee County Building Codes

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Banking Deposits

The following table provides the number of banking institutions and the total banking deposits held within the County (in thousands) for all FDIC-insured institutions in the County for the last five fiscal years for which such information is available.

<u>Year</u>	<u>Institutions</u>	<u>Deposits</u>
2018	11	\$1,246,219
2019	11	\$1,297,096
2020	10	\$1,445,384
2021	10	\$1,609,281
2022	10	\$1,701,641

Source: Federal Deposit Insurance Corporation

Capital Investment

The following table sets forth the total announced capital investment for new and expanded industry in the County for the fiscal years indicated.

<u>Fiscal Year</u>	<u>Total Capital Investment</u>	<u>Additional Employment</u>
2018	\$95,100,000	238
2019	\$0	125
2020	\$10,000,000	0
2021	\$40,800,000	50
2022	\$24,500,000	64
2023	\$99,500,000	247
2024*	\$3,975,000	20

Source: S.C. Department of Commerce, Oconee Economic Alliance

*Year to date statistics

Retail Sales

The following table shows retail sales for businesses located in the County for the last five fiscal years for which such information is available:

<u>Fiscal Year</u>	<u>Total Retail Sales</u>
2018	2,460,252,579
2019	2,590,708,923
2020	2,455,848,920
2021	2,735,355,313
2022	\$ 2,826,186,743

Source: South Carolina Department of Revenue

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Top Ten Employers in the County

The ten largest employers located within the County, their products and approximate number of employees, as of June 30, 2022, are listed below.

<u>Name</u>	<u>Product or Service</u>	<u>Approximate Number of Employees</u>
School District of Oconee County	Public Education	1,530
Prisma Health	Health Services	1,310
Duke Energy Corp.	Energy	1,300
Itron, Inc.	Electric Utility Manufacturer	1,000
BorgWarner	Auto Parts Manufacturer	1,000
Schneider Electric	Equipment Manufacturer	600
Oconee County Government	Government	575
JTECKT	Bearing Supplier	500
BASF	Auto Parts Manufacturer	400
Greenfield Industries	Tool Manufacturer	350

Source: S.C. Appalachian Council of Governments

Labor Force

The labor force participation rates of residents of the County (regardless of place of employment) for the calendar years shown are as follows:

Oconee County Labor Force Estimates

(By Calendar Year)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022[†]</u>
Civilian Labor Force	34,261	34,051	34,032	33,191	33,564
Employment	33,241	33,204	32,607	32,214	32,627
Unemployment	1,020	847	1,425	977	937

[†]Preliminary

Source: U.S. Department of Labor, Bureau of Labor Statistics

Industry Mix

The following table reflects employment by industry for calendar year 2021.

<u>Industry</u>	<u>Average Employment</u>
Farm employment	828
Forestry, fishing, and related activities	*
Mining, quarrying, and oil and gas extraction	*
Utilities	*
Construction	2,567
Manufacturing	5,899
Wholesale trade	615
Retail trade	4,250
Transportation and warehousing	*
Information	388
Finance and insurance	1,203
Real estate and rental and leasing	1,690
Professional, scientific, and technical services	1,395
Management of companies and enterprises	78
Administrative and support and waste management and remediation services	1,721
Educational services	381
Health care and social assistance	1,909
Arts, entertainment, and recreation	808

Accommodation and food services	2,113
Other services (except government and government enterprises)	2,314
Government and government enterprises	4,408

Source: U.S. Department of Labor, Bureau of Labor Statistics

*Not shown to avoid disclosure of confidential information

Unemployment

The average unemployment rate in the County for each of the last 12 months for which such data is available is shown below:

<u>Date</u>	<u>County</u>
July 2023 [†]	3.4%
June 2023	3.4
May 2023	2.5
April 2023	2.2
March 2023	3.1
February 2023	3.5
January 2023	3.3
December 2022	2.8
November 2022	2.5
October 2022	3.0
September 2022	2.8
August 2022	3.5

[†]Preliminary

Source: U.S. Department of Labor, Bureau of Labor Statistics

The average unemployment rate in the County, the State, and the United States, for each of the last five calendar years for which information is available was:

<u>Year</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
2018	3.3	3.4	3.9
2019	2.7	2.8	3.7
2020	5.2	6.0	8.1
2021	3.6	3.9	5.3
2022	3.1	3.2	3.6

Source: U.S. Department of Labor, Bureau of Labor Statistics

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TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for purposes of federal income taxation. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States. The County has covenanted to comply with the requirements of the Code in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in the gross income of the owners thereof for federal income tax purposes.

Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the approving opinion of Bond Counsel. The opinion of Bond Counsel is attached to this Official Statement as Appendix B. Copies of the opinion will be available at the time of the initial delivery of the Bonds.

Federal Tax Matters

In the opinion of Bond Counsel, under existing statutes, rulings and court decisions and under applicable Regulations, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Except as provided in the opinion of Bond Counsel, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on the Bonds.

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including without limitation, corporations subject to the environmental tax, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

When rendering its opinion that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations of the County with respect to, among other things, the use of the proceeds of the Bonds without undertaking to verify the same by independent investigation and (ii) assume the continued compliance by the County with its covenants relating to the use of the proceeds of the Bonds and compliance with other requirements of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Original Issue Premium

As indicated on the inside cover page, the Bonds maturing on April 1, 2027, through and including 2043 ("Premium Bonds"), are being sold at initial offering prices which are in excess of the principal amount payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner's cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption, or other disposition of such Premium Bond (whether upon its sale, redemption, or payment at maturity). Owners of Premium Bonds should consult their tax advisors

with respect to the determination, for federal income tax purposes, of the “adjusted basis” of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.

State Tax Law Matters

Bond Counsel is of the opinion that under present laws of the State, interest on the Bonds will be excluded from South Carolina taxation, except estate, transfer, and certain franchise taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes on every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of that bank. Regulations of the South Carolina Department of Revenue require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the Bonds will be included in that computation. Purchasers of the Bonds should consult their tax advisors as to the taxable status of the Bonds in a particular state or local jurisdiction other than South Carolina.

Other Tax Consequences to Investors

There may be other federal, state, local, or foreign tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Bonds. Purchasers of Bonds who are nonresident alien individuals, corporations that are not incorporated in the United States or under the laws of the United States or of any state of the United States, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Bonds.

Changes in Federal Tax Law

From time to time, there are legislative proposals in Congress that, if enacted, could alter, or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to the Bonds issued prior to enactment. In addition, regulatory actions from time to time are announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

CERTAIN LEGAL MATTERS

Opinion

The issuance of the Bonds is subject to the favorable opinion of Bond Counsel, a copy of which will be affixed to each Bond, as to the validity of the issuance of the Bonds under the State Constitution and State law. The form of Bond Counsel’s opinion appears as Appendix B to this Official Statement.

Bond Counsel has assisted the County by compiling certain information supplied to it by the County and others and included in this Official Statement but has not made an independent investigation or verification of the accuracy, completeness, or fairness of such information. The opinion of Bond Counsel will be limited solely to the legality and enforceability of the Bonds, and no opinion will be given with respect to this Official Statement.

The opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Other Legal Matters

From time to time, Bond Counsel may represent the Underwriter or Financial Advisor as counsel in transactions unrelated to the sale and delivery of the Bonds. Neither the Underwriter nor the Financial Advisor has conditioned the

future employment of Bond Counsel in connection with any proposed financing issues for the County including but not limited to the successful sale and delivery of the Bonds.

Litigation

There is no litigation presently pending or threatened challenging the validity of any debt issued or proposed to be issued by the County or otherwise challenging, in any manner, the right of the County (as applicable) to issue or secure the Bonds. *However, the County cannot give any assurance that litigation challenging the financing plan described in this Official Statement would not be filed in the future.*

Closing Certificates

The County officials will deliver a certificate to establish that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Bonds.

CONTINUING DISCLOSURE

To provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”), the County will execute the Continuing Disclosure Undertaking (“Disclosure Undertaking”), the form of which is attached hereto as Appendix C, for the benefit of the beneficial owners of the Bonds.

Pursuant to the Disclosure Undertaking, the County will provide certain financial information and operating data relating to the County (“Annual Report”) by not later than February 1 following the end of the preceding fiscal year, commencing with Fiscal Year 2024, and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the form of the Disclosure Undertaking. These covenants have been made in order to assist the Underwriter in complying with the Rule.

In the event of a failure of the County to comply with any of the provisions of the Disclosure Undertaking, the sole remedy of any bondholder or beneficial owner is an action to compel performance by the County.

During the prior five years, the County has filed its annual report no more than 14 days after the applicable continuing disclosure deadline and, in one instance, did not file unaudited financial statements in lieu of audited financial statements as provided by the county’s continuing disclosure obligations.

RATINGS

The Bonds have received a rating of “AA” from S&P and of “Aa2” from Moody’s Investors Services, Inc. (“Moody’s”). Each rating reflects only the views of the rating agency providing such rating and an explanation of the significance of each rating may be obtained from the rating agency furnishing such rating at the following address, respectively: S&P, 55 Water Street, New York, New York 10041, and Moody’s, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that either or both of such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the liquidity and market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. The County has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed suspension or withdrawal of such rating or to oppose any such revision, suspension, or withdrawal.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Bonds.

INDEPENDENT PROFESSIONALS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of King Kozlarek Law LLC, Greenville, South Carolina, Bond Counsel. Certain legal matters will be passed on for the County by its counsel, David A. Root, Esq., Walhalla, South Carolina, and by its disclosure counsel, King Kozlarek Law LLC, Greenville, South Carolina. Stifel, Nicolaus & Company, Inc., Columbia, South Carolina has served as financial advisor ("Financial Advisor") to the County with respect to the sale of the Bonds and as Financial Advisor has participated in the preparation of and review of the various financing documents related to the Bonds.

The financial statements of the County as of June 30, 2022, and for the year then ended have been audited by Mauldin & Jenkins CPAs & Advisors, Columbia, South Carolina, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix A. The consent of Mauldin & Jenkins CPAs & Advisors, to the inclusion of the audited financial statements of the County and their report thereon in Appendix A hereto has not been requested. Therefore, Mauldin & Jenkins CPAs & Advisors has not and will not perform any subsequent procedures relating to the audit or review of the information presented in this Official Statement.

UNDERWRITING

The Bonds have been purchased at a competitive sale from the County for resale by Jefferies LLC ("Underwriter"), at a purchase price of \$26,647,491.00, which represents the par amount of the Bonds, plus aggregate, original issue premium of \$1,705,559.75, less an underwriter's discount of \$58,068.75. The interest rates and yields of the Bonds, which information has been provided by the Underwriter, are stated on the inside front cover hereof. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial public offering prices. In addition, the initial public offering prices of the Bonds may be changed from time to time by the Underwriter without prior notice.

CERTIFICATION

All quotations from and summaries and explanations of provisions of laws of the State do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds, and determinations of the County relating to the Bonds are qualified in their entirety by reference to the definitive forms of the Bonds and the authorizing ordinances and resolutions and to other documents and determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium, and other laws for the relief of debtors.

Certain of the information set forth in this Official Statement and in its Appendices has been obtained from sources other than the County that are believed to be reliable but is not guaranteed as to accuracy or completeness by the County. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the County's affairs.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Further, certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." These types of statements are generally identifiable by the terminology used such as "plan," "expect," "anticipate," "estimate," "budget," "forecast," "project" or similar words. Forward-looking statements are included in various portions of this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR.

Reference to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

This Official Statement is not to be construed as constituting an agreement with the holders of the Bonds.

Further inquiries or requests for additional copies of this Official Statement may be addressed to the County's Financial Advisor, Brenton J. Robertson, Esq., Managing Director, Stifel, Nicolaus & Company, Inc., telephone: 803.331.3858, email: *robertsonb@stifel.com*, or Bond Counsel, Michael E. Kozlarek, Esq., King Kozlarek Law LLC, telephone: 884.527.5941, email: *michael@kingkozlarek.com*.

The delivery of this Official Statement and its use in connection with the sale of the Bonds has been duly authorized by the County. The contents of this Official Statement are the County's responsibility.

OCONEE COUNTY, SOUTH CAROLINA

/s/ Matthew Durham
Chairman, County Council

APPENDIX A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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OCONEE COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

Prepared by the Department of Finance

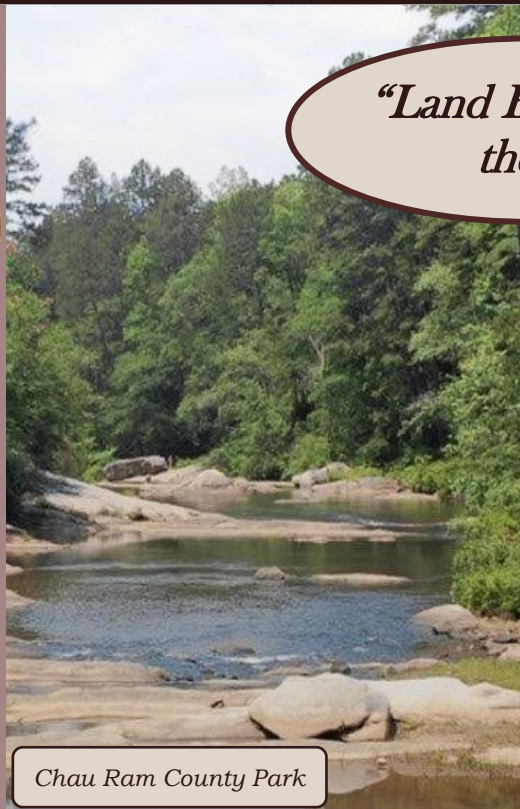


OCONEE COUNTY
415 SOUTH PINE STREET
WALHALLA, SC 29691

WWW.OCONEESC.COM



*"Land Beside
the Water"*



Chau Ram County Park



South Cove County Park



High Falls County Park

OCONEE COUNTY, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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OCONEE COUNTY, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

Amanda F. Brock

County Administrator

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



February 10, 2023

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

The Comprehensive Annual Financial Report (CAFR) for Oconee County, South Carolina, for the fiscal year ended June 30, 2022, is hereby submitted pursuant to South Carolina Code of Laws, Title 4, Chapter 9, Section 150. The CAFR is intended to present the financial activity of the County for the fiscal year and the financial condition of the County as of June 30, 2022. This CAFR provides a fair presentation of the County's financial position and changes in financial position in accordance with the standards promulgated by the Governmental Accounting Standards Board (GASB).

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

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Mauldin & Jenkins, Certified Public Accountants. The auditors issued an unmodified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Oconee County, incorporated in 1868, is located in the northwest corner of South Carolina in the scenic Blue Ridge foothills and mountains. Five incorporated municipalities exist within the 625 square miles of the County. Oconee County is empowered to levy a property tax on both real and personal property located within its boundaries in order to provide services to a population of approximately 79,546.

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

Oconee County provides a full range of services, including police protection; emergency and fire services; judicial services; solid waste disposal and recycling; the construction and maintenance of highways, streets and other infrastructure; building inspections, licenses and permits; recreational and cultural activities; library services, and

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

The Council is required to adopt a final budget for the subsequent year by no later than the close of the fiscal year. This annual budget serves as the foundation for Oconee County's financial planning and control. The budget is prepared by fund, function, (e.g., public safety), and department (e.g., Sheriff's Office). The County Administrator is authorized to transfer appropriations between departments within the same fund. County Council may transfer resources from any fund, department, activity or purpose to another by normal Council action, subject to all other applicable legal requirements.

Local Economy

Oconee County's economy continues its efforts to recover from the dip during the state shut down in early 2020. According to data published by the South Carolina Department of Employment and Workforce (SCDEW), the County's unemployment rate for October 2022 was 3.2 percent, which is below the State rate of 3.5 percent and the United States rate at 3.4 percent for the same period. At the conclusion of the 2020, it was 5.2 percent. According to SCDEW, manufacturing is the lead employment industry in Oconee County and there were approximately 1,917 job openings reported in October 2022.

Prior to the pandemic, Oconee County's per capita income was on a steady incline. A great indicator of a strong economy and economic development successes. From 2019 to 2020, the per capita income increased by 4.3% for an average income of \$47,511. All indications are this trend will continue and the strong business climate and determined citizenship within Oconee County will continue to grow.

Long-term Financial Planning and Major Initiatives

During recent years, Oconee County invested heavily in water and sewer infrastructure for necessary improvements and expansion of existing systems, including the allocation of Coronavirus Local Fiscal Recovery Funds, identified under the American Rescue Plan Act (ARPA), to local municipalities for necessary water and sewer infrastructure improvements. Oconee County also allocated funds to the Oconee Joint Regional Sewer Authority Fair Play Area Sewer Basin Plan and additional funding for sewer expansion along the I-85 corridor.

Oconee County continues improvements to the three county owned industrial parks with a focus on continuing to make sites "shovel ready" for companies seeking to expand operations. As a testament to the County's excellent business climate and community partners, Oconee County announced three existing industry expansions totaling over \$95 million capital investment. In August 2022, Impact Housing Group announced plans to establish operations at the Oconee Industry & Technology Park. The company's \$30 Million investment will create 215 new jobs over the next five years.

Oconee County has welcomed 2 new industries to the county. CurTec, which manufactures high performance packaging, and Impact Housing, which manufactures modular homes. These two new industries created over thirty million dollars in capital investment into Oconee County and created over one hundred jobs for the citizens of Oconee County.

The Oconee Economic Alliance has also seen a number of project interest into the county. We have had over 60 project inquirers to Oconee County this year. This is an increase from our project inquirers from the year 2021. These 60 projects represent a potential total capital investment of over one billion dollars and over one thousand jobs. Overall the Oconee Economic Alliance is poised to continue to capture this growth and we look forward to what 2023 will bring.

In 2022, Oconee County allocated funding for necessary improvements to the County roads, including \$4 Million for various road paving projects ranging from simple overlays to reconstruction and/or evacuation with removal. Oconee County also initiated road striping for approximately 145 center line miles of roadways.

Oconee County aims to provide maximum safety for all emergency responders and law enforcement. In February, Oconee County allocated \$2.6 Million toward the purchase of self-contained breathing apparatuses, spare cylinders and face pieces. This purchase allowed for the replacement and/or upgrade of existing units to meet the National Fire Protection Association 2018 standards.

As Oconee County contains a significant amount of public lands, in addition to 1,355 miles of lake shoreline, tourism provides a considerable contribution to the local economy, and is especially important to local small businesses. To continue building on the momentum of Destination Oconee, a plan approved in 2015 that focuses on tourism centric improvements to both existing infrastructure and new tourism capital, Oconee County Council moved forward with a dedicated capital millage for Parks, Recreation & Tourism in 2019. This millage, along with increased accommodations taxes, have provided the funds necessary to continue to drive tourism in our community and create a sense of place within our municipal downtowns.

To enhance guests' experiences within the County-operated park system, fourteen capital improvement projects were initiated and/or completed in 2022. In January, Oconee County began major upgrades to the Seneca Creek Access Area on Lake Hartwell, including the development of a new 3-lane boat ramp, fishing pier, courtesy docks, kayak launch, restroom and picnic area. The renovated access area will be under video surveillance in partnership with Clemson University and be able to park up to 50 vehicles and trailers. The Seneca Creek Access Area is expected to reopen to the public in January 2023. Parks, recreation and tourism capital projects also include the:

- Demolition and rebuild of the Chau Ram County Park shelter
- Design for a maintenance building at Chau Ram County Park;
- Design for new High Falls County Park shelter;
- Construction of a new covered deck for the High Falls recreation building;
- Paving of the High Falls patio deck and Mullins Ford Boat Ramp;
- Preservation of the Alexander-Cannon-Hill House at High Falls County Park;
- Shoreline restoration at High Falls County Park and South Union;
- Renovation of the South Cove County Park recreation building; and
- The addition of parking for pickleball courts at South Cove County Park.

Various tourism promotions and campaigns for outdoor recreation has proved Oconee County to be an extremely popular attraction resulting in another year that each of the County's parks have seen record-highs for the number of visitors.

An additional asset that provides a major boost to our tourism impact is the extension of the Palmetto Trail to Stumphouse Park and the addition of the Stumphouse Mountain Bike Trail, operated by the City of Walhalla. This trail provides bike access from both the parking area and from Oconee State Park with over 10 miles of mountain bike trails. The County continues to see revenue increases with the local accommodations tax and the municipalities have seen that same increase along with increased revenues with their hospitality taxes and business license fees. These increases provide ongoing support for maintenance and tourism capital in all areas of our community.

As part of the Oconee County Regional Airport Capital Improvement Plan, the County continued to work closely with the Federal Aviation Administration and the South Carolina Aeronautics Commission to complete terminal apron expansion and the relocation Mt. Nebo Church Road projects.

In 2022, the Federal Aviation Administration, South Carolina Aeronautics Commission and Oconee County allocated funding toward the runway pavement rehabilitation project when additional emergency repairs identified the need to expedite this airport improvement initiative. The runway pavement rehabilitation began in September with completion of constructions, painting and runway grooving anticipated in January 2023.

Depending on the timeliness of federal and state funding the next project that follows in the capital improvement plan will be the design of taxiway pavement rehabilitation and airfield lighting rehabilitation for Fiscal Year 2023-2024. Oconee County intends to submit the grant funding pre-application when requested.

In early 2020, Oconee County finished their *2020 Comprehensive Plan*. A comprehensive plan is a document designed to guide the future actions of the County. It presents a vision for the future, with long-range goals and objectives for all activities that affect the local government. This includes guidance on how to make decisions on public and private land development proposals, the expenditures of public funds, availability of tax policy, cooperative efforts and issues of pressing concern, such as farmland preservation or the rehabilitation of older neighborhood areas. The plan provides direction for future activities over a ten to twenty-year period after adoption. This process included community outreach, stakeholder meetings, elected and appointed officials and as many citizens of Oconee County that could be involved. The plan will be reviewed and updated, as needed, every five years.

Relevant Financial Policies

The Oconee County Council adopted Ordinance 2018-23 that established a general policy for maintaining and using the unassigned fund balance of the General Fund, subject to any superior ordinances or budget provisions. The Ordinance prescribes that the General Fund will be budgeted, so as to maintain an unassigned fund balance in an amount between 25 percent and 30 percent of regular general fund expenditures, which would be equivalent to 90 to 120 days of coverage. If the unassigned fund balance is below 25 percent, the Administrator will develop and recommend to Council a plan to increase the unassigned fund balance to a minimum of 25 percent of regular general fund expenditures within a time period not to exceed five years.

If the unassigned fund balance does not reach 25 percent of the General Fund within seven years of the enactment of this Ordinance, any subsequent budgets will require a supermajority vote (two-thirds of the members present and voting) of County Council to pass until the requirement is met.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oconee County for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the fourteenth consecutive year that the County has achieved this prestigious award. In order to receive the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. However, we believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

The County is proud of the recognition and believes it demonstrates to the Citizens of Oconee County how committed County Council, administration, and staff are to achieving excellent financial results by properly planning and executing operational and capital plans in an orderly and professional manner.

Signature page to follow.

Signature page for FY 2021-2022 Audit Transmittal Letter:

Respectfully submitted,



Amanda F. Brock
County Administrator



Ladale V. Price
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Oconee County
South Carolina**

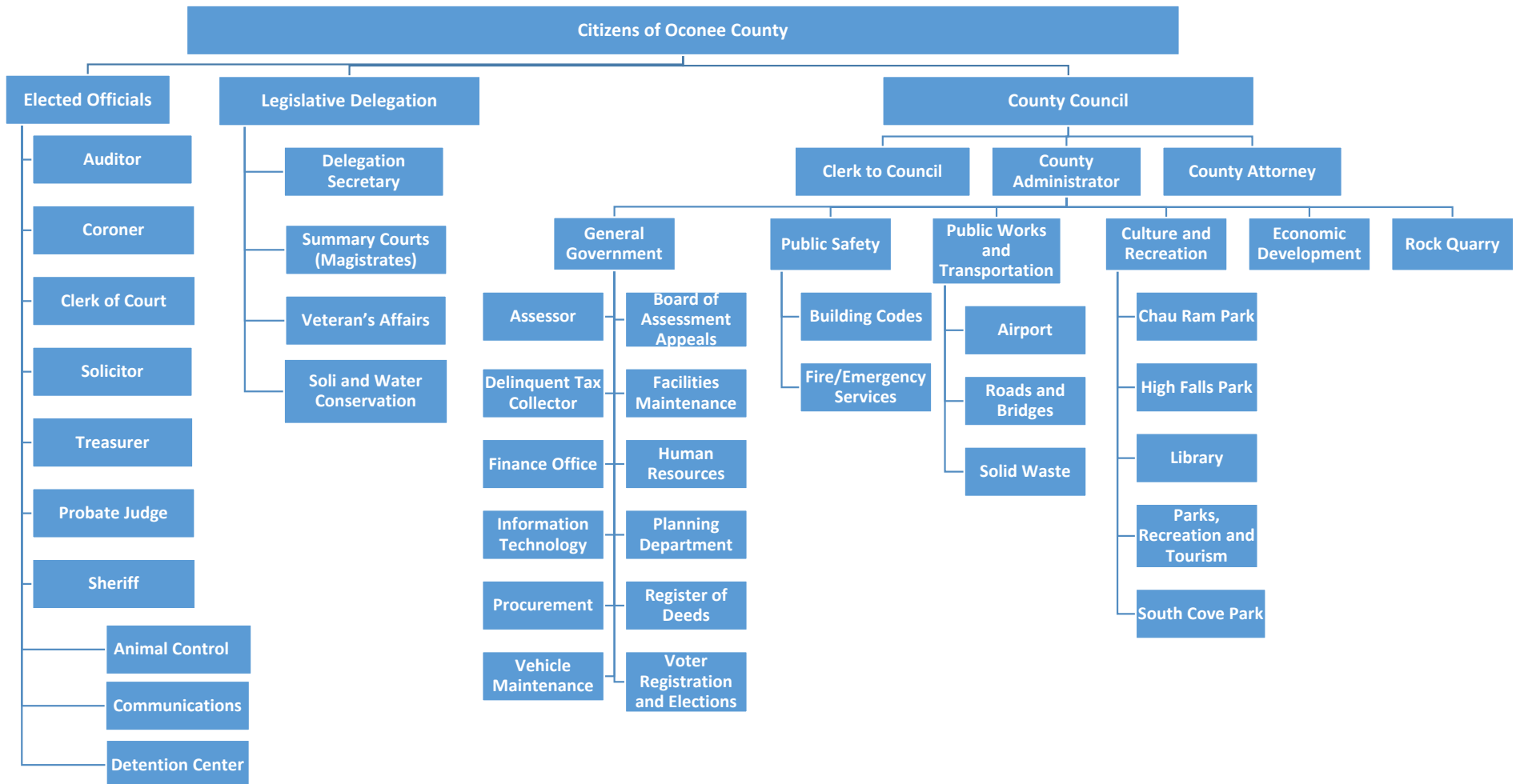
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Oconee County Organizational Chart



County Government

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

Governing Body

County Council: Five (5) representatives elected from single-member districts for 4-year terms. Each district is based on representation of approximately 15,500 citizens (2017 Census Estimate).

Current Elected Officials

Oconee County Council

John Elliott	<i>District I</i>	Julian Davis III	<i>District IV</i>
To be determined	<i>District II</i>	James Glenn Hart	<i>District V</i>
Paul A. Cain, Esq.	<i>District III</i>		

Other Elected County Officials

Auditor	Christy W. Hubbard	Sheriff	Mike Crenshaw
Clerk of Court	Melissa Burton	Solicitor	David R. Wagner
Coroner	Karl E. Addis	Treasurer	Gregorie W. Nowell
Probate Judge	Ashley Rice, Interim		

S.C. State Legislative Delegation

S.C. Senate	S.C. House of Representatives
Thomas C. Alexander [R] <i>District 1 – Oconee & Pickens Counties</i>	William R. “Bill” Whitmire [R] <i>District 1 – Oconee County</i> William E. “Bill” Sandifer III [R] <i>District 2 – Oconee & Pickens Counties</i>

U.S. Congressional Delegation

U.S. Senate	U.S. House of Representatives
Lindsey Graham [R] Tim Scott [R]	Jeffrey D. Duncan [R] <i>3rd District – Abbeville, Anderson, Edgefield, Greenville, Greenwood, Laurens, McCormick, Newberry, Oconee, Pickens & Saluda</i>

Administrative Officials

County Administrator	County Attorney
Amanda F. Brock	David A. Root, Esq.

Oconee County SOUTH CAROLINA



**County Council Districts
and Representatives**
FY2021-2022 Map 1

District 1



Mr. John Elliott

District 2

**District
1**

**District
2**

District 3



Mr. Paul Cain

**District
4**

**District
3**

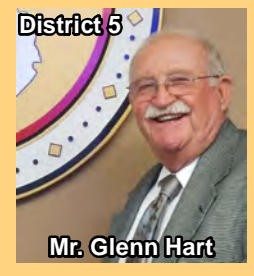
**District
5**

District 4



Mr. Julian Davis

District 5



Mr. Glenn Hart

Legend

- Municipality
- Interstate 85
- Major Road
- Railroad



0 4
Miles

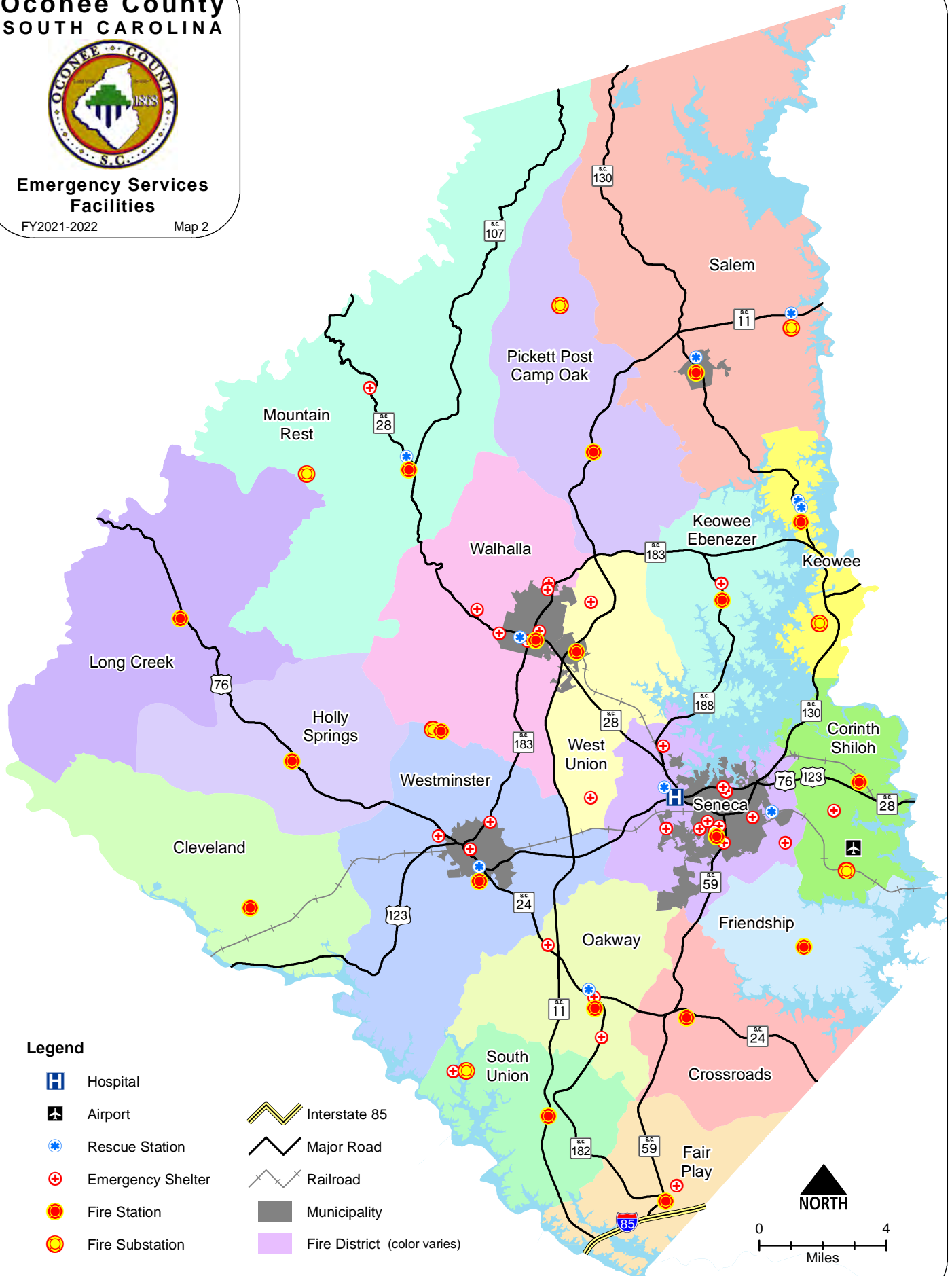
Oconee County SOUTH CAROLINA




Emergency Services Facilities

FY2021-2022

Map 2



Legend

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

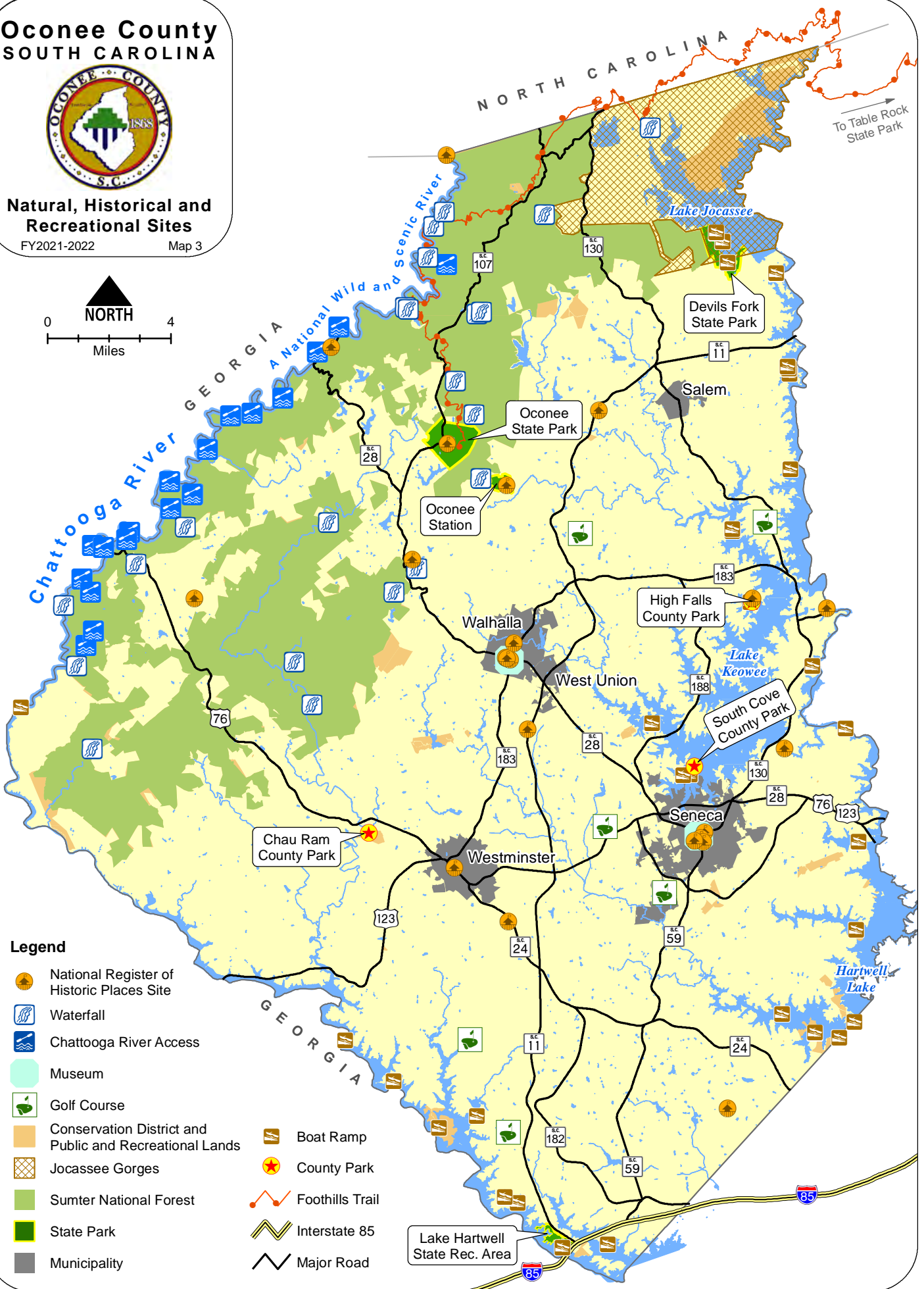
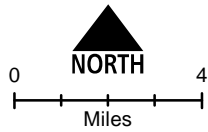
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY2021-2022

Map 3



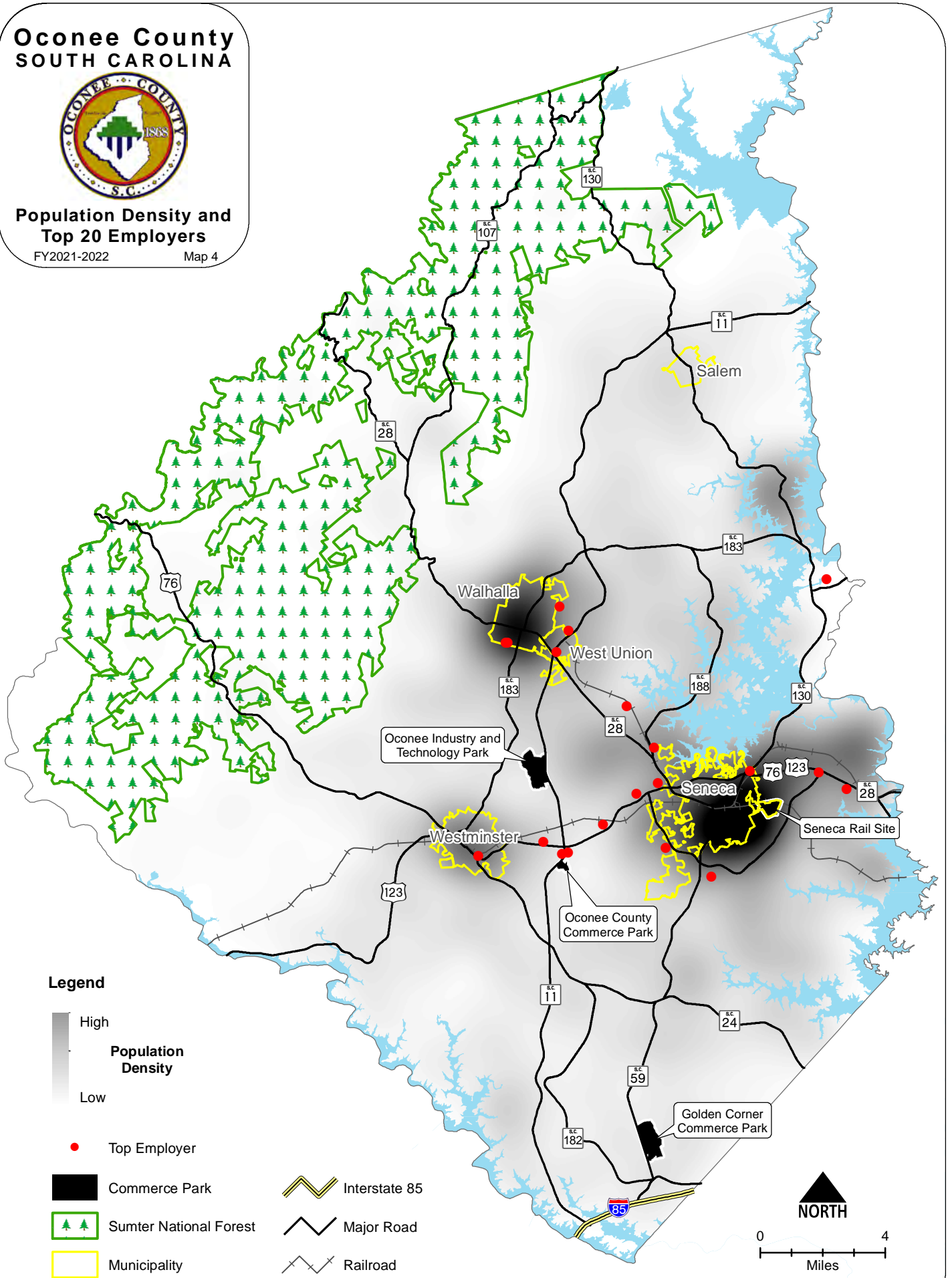
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY2021-2022

Map 4



Source: S.C. Department of Employment and Workforce (May 2021) and U.S. Census Bureau (2020)

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the County Council
of Oconee County
Walhalla, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Oconee County, South Carolina** (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Miscellaneous Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Keowee Fire Tax District, which represents 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Keowee Fire Tax District is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes 1, 6, and 7 to the financial statements, the County adopted new accounting guidance, GASBS No. 87, *Leases*, as of July 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios, the Schedules of the County's Proportionate Share of the Net Pension Liability, and the Schedules of Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and the Uniform Schedule of Court Fines, Assessments, and surcharges, as required by the State of South Carolina (collectively the "Supplementary Information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

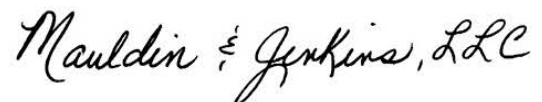
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2023, on our consideration of Oconee County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oconee County, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, South Carolina's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Columbia, South Carolina
February 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information
(Unaudited)

Management's Discussion and Analysis

In this section of Oconee County's (the "County") annual report, we provide a narrative overview and analysis of the County's financial performance for the fiscal year that ended June 30, 2022. Please read it in conjunction with the Administrator's Letter of Transmittal at the front of this report and the financial statements that follow this section.

Overview of the Financial Statements

This discussion and analysis provides an introduction to Oconee County's basic financial statements, which include the following parts: (1) *government-wide financial statements*, (2) *fund financial statements*, (3) *major discretely presented component unit financial statements*, and (4) *notes to the financial statements*. This annual report also contains certain *required supplementary information* and other *supplementary information* to aid in understanding the operations of the County.

Government-wide Financial Statements

The government-wide statements present a long-term view of the County's finances *as a whole*, using the *accrual-basis accounting*—the same accounting basis that most businesses use. The basic government-wide financial statements are presented on pages 18 through 19 of this report.

There are two government-wide financial statements:

Statement of Net Position: This statement presents information on *all* of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether its financial position is improving or deteriorating. However, the statement of net position does not tell the whole story. To assess the County's overall financial health, other factors need to be considered, including the County's tax base, local economic growth, long-term debt management and the condition of its capital assets such as its buildings and infrastructure (roads and bridges).

Statement of Activities: This statement presents information showing how the County's overall net position changed during the year. The County reports a change in its net position as soon as an underlying event occurs that causes a change. The statement of activities accounts for all current-year revenues and expenses, regardless of when the County received or paid cash. Although governments compile the statement of activities using accounting methods similar to businesses, the format of this statement is quite different from the format of a business's profit and loss statement. The statement of activities helps to show how much it costs for the County to provide various services. It also indicates the extent to which each government function covers its own costs through user fees, charges, or grants. The *net revenues (expenses)* column on the far right of this statement on page 19 shows how much a particular function relies on taxes and other general revenues as opposed to program revenues to support its programs.

The government-wide statements present three different kinds of *activities*:

Governmental activities: Most of the County's basic services are included here, such as general government, public safety, transportation, public works, culture and recreation, judicial services, health and welfare, economic development, and education. Property taxes and state and federal grants provide resources to support most of these services.

Business-type activities: These activities usually recover all, or a significant portion, of the costs of their services or goods by charging fees to customers. The Rock Quarry Fund is the County's main business-type activities.

Component units: Although component units are legally separate from the County, the County's elected officials are financially accountable for them. The Keowee Fire Tax District is the County's only component unit. Some financial information for this component unit is included in this report. Complete financial statements for the Keowee Fire Tax District component unit can be obtained from the District's administrative offices (address included in Note 1 of the notes to the financial statements on page 33).

Fund Financial Statements

The fund financial statements on pages 20 through 32 of this report provide detailed information about the County's most significant funds—not the County as a whole. Funds are accounting designations that the County uses to track specific funding sources and spending for particular purposes. Oconee County, like other governments, uses fund accounting to aid financial management and to ensure and demonstrate compliance with financial related legal requirements.

The County reports three *types of funds*:

Governmental funds: The County reports most of its basic services in governmental funds. Governmental funds account for activities that the County reports as governmental activities in its government-wide statements. These funds focus on short-term inflows and outflows of expendable resources. The balances remaining at the end of the year help determine whether a fund has either more or less financial resources available to spend in the near future. Because the governmental fund statements lack the additional long-term focus of the government-wide statements, a reconciliation that explains the relationship (or differences) between the two kinds of statements is provided. By comparing the two kinds of statements and examining the reconciliation, a better understanding of the long-term impact of the County's near-term funding decisions is available. The County's General Fund and major special revenue funds that have legally adopted annual budgets require budgetary comparison schedules. Because the County uses the same generally accepted accounting principles (GAAP) basis to format the budgetary comparison report as the basic governmental financial statements, the Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP basis) and Actual report is presented in the Financial Section after the basic audited financial statements. The budgetary comparison report consists of the original adopted and final budgets, the actual inflows and outflows of resources, and a variance between the actuals and final budget. The General Fund's report shows the department level appropriations within each function (i.e., the Sheriff's Department within public safety).

The basic governmental fund statements and the GAAP basis budgetary comparison schedules are on pages 20 through 26 of this report.

Proprietary funds: Proprietary funds charge customers for the goods or services they provide—whether they are provided to outside customers (*enterprise funds*) or County departments and other governments (*internal service funds*). Proprietary funds use the *accrual basis of accounting* like businesses use. The County reports its two enterprise funds as *business-type activities* in the government-wide statements. The County does not have any internal service funds. The basic proprietary fund statements are on pages 27 through 30 of this report.

Fiduciary funds: Fiduciary funds consist of four types of funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds, of which the County only has *custodial funds*. Because the County acts as a clearing account to distribute certain financial resources to other entities, the County must report these activities separately, in custodial funds thereby demonstrating that those resources are used for and by the specific entity for which they are collected. The reports for the custodial funds are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The basic fiduciary fund statements are on pages 31 and 32 of this report.

Component Unit Financial Statements

The government-wide financial statements identify the County's major discretely presented component unit under the Component Units subheading. However, the complete annual financial statements for the Keowee Fire Tax District are available upon request at the District's administrative offices.

Notes to the Financial Statements

Immediately following the financial statements are notes that provide additional and pertinent information to the financial statement amounts. The notes on pages 33 through 83 are necessary to understand fully the financial statements.

Required Supplementary Information

Governments have the option to present the mandatory budgetary comparisons as part of the basic financial statements or in the required supplementary information (RSI). The County has decided to present the budgetary comparisons for the General Fund and for each major special revenue fund, which has a legally adopted annual budget, with the basic audited financial statements instead of in the RSI. The mandatory budgetary comparison schedules are on pages 24 through 27. Additionally, the required supplementary information section includes information on the County's two pension programs, the South Carolina Retirement System and the South Carolina Police Officers' Retirement System, as well as the County's other post-employment benefits (OPEB) plan. This required supplementary information is on pages 84 through 87 of this report.

Supplementary Information

Combining and individual nonmajor governmental fund statements and budgetary comparison schedules, fiduciary fund statements, and the Uniform Schedule of Court Fines, Assessments and Surcharges information required by the State of South Carolina are presented immediately following the required supplementary information. These statements and schedules are on pages 88 through 108 of this report.

Government-wide Financial Analysis

Exhibits 1 and 2 summarize the overall financial position and results of operations of the primary government for the past two years based on information included in the government-wide financial statements.

Exhibit 1
Government-wide Net Position
For the Fiscal Years Ended June 30

	Governmental Activities		Business-type Activities		Total - Primary Government		Total Percent Change
	2022	2021	2022	2021	2022	2021	2022-2021
Assets							
Current and other assets	\$ 76,551,993	\$ 67,943,591	\$ 9,737,954	\$ 9,313,000	\$ 86,289,947	\$ 77,256,591	11.69%
Capital and leased assets	128,997,919	127,325,985	12,419,336	12,684,221	141,417,255	140,010,206	1.00%
Total assets	205,549,912	195,269,576	22,157,290	21,997,221	227,707,202	217,266,797	4.81%
Deferred Outflows of Resources							
Other postemployment benefits	1,792,270	1,114,550	75,200	62,693	1,867,470	1,177,243	58.63%
Pension - South Carolina Retirement System	6,549,038	9,614,029	465,784	679,364	7,014,822	10,293,393	(31.85%)
Pension - South Carolina Police Officers Retirement System	5,587,683	8,180,333	-	-	5,587,683	8,180,333	(31.69%)
Total deferred outflows of resources	13,928,991	18,908,912	540,984	742,057	14,469,975	19,650,969	(26.37%)
Liabilities							
Noncurrent liabilities	73,695,579	81,232,901	6,940,333	7,806,790	80,635,912	89,039,691	(9.44%)
Other liabilities	21,781,716	15,331,262	485,915	221,190	22,267,631	15,552,452	43.18%
Total liabilities	95,477,295	96,564,163	7,426,248	8,027,980	102,903,543	104,592,143	(1.61%)
Deferred Inflows of Resources							
Lease receipts	41,851	-	-	-	41,851	-	-
Other postemployment benefits	310,442	777,040	13,025	43,708	323,467	820,748	(60.59%)
Pension - South Carolina Retirement System	6,405,653	6,080,389	455,586	429,663	6,861,239	6,510,052	5.39%
Pension - South Carolina Police Officers Retirement System	5,393,108	3,166,753	-	-	5,393,108	3,166,753	70.30%
Total deferred outflows of resources	12,151,054	10,024,182	468,611	473,371	12,619,665	10,497,553	20.22%
Net Position							
Net investment in capital assets	112,554,496	110,968,422	7,715,190	7,750,530	120,269,686	118,718,952	1.31%
Restricted	18,686,699	18,818,076	-	-	18,686,699	18,818,076	(0.70%)
Unrestricted	(19,390,641)	(22,196,355)	7,088,225	6,487,397	(12,302,416)	(15,708,958)	(21.69%)
Total net position	\$ 111,850,554	\$ 107,590,143	\$ 14,803,415	\$ 14,237,927	\$ 126,653,969	\$ 121,828,070	3.96%

Net Position

The largest portion of the County's net position reflects its net investment in capital assets (for example, buildings, roads, and bridges) less any related debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently, they are not available for future spending. Further, the County cannot sell the capital assets to repay the related debt because the assets are used for County operations, so it must find other resources to repay the debt.

Restricted net position generally is available for future spending but is subject to external restrictions, such as bond covenants, federal government grant restrictions, or restrictions imposed by enabling County legislation. The County's largest restricted balances include capital projects and debt service.

Unrestricted net position - resources normally available for future spending without restrictions—reported a deficit balance of (\$12,302,416) at June 30, 2022. This represents an increase of net position of \$4.83 million over the prior year, which is a result of a \$5.20 million increase in charges for services, \$1.81 million in operating grants and contributions, and a \$2.84 million increase in property tax revenues. The increases in charges for services and property tax revenues were the result of airport fuel sales, federal grant assistance to combat COVID-19, and real estate sales and new construction.

The County's business-type activities reported a \$7.09 million unrestricted net position. This represents a decrease of \$600,828 from the previous fiscal year. This resulted mostly from the 2022 fiscal year realizing net revenues of \$600,072, as opposed to the \$2.39 million in the 2021 fiscal year. One reason for decrease in net revenues is the FOCUS Fund's \$934,000 bad debt expense that was recorded in 2022 when the lease of the broadband fiber optics network system was cancelled with One Tone and executed with Upcountry Fiber. In addition, the Rock Quarry had increases in expenses totaling \$1.70 million for equipment repair and maintenance parts, petroleum products, professional services, salaries and fringe, utility, and supply expenses. The COVID-19 pandemic affected supply chains worldwide driving up the costs of supplies resulting in less net revenues than the prior year. In addition, the Rock Quarry operating revenues increased by \$845,061 during the same period because of the demand for rock products used in construction and landscaping projects associated with the frenzied housing market.

Exhibit 2
Government-wide Changes in Net Position
For the Fiscal Years Ended June 30

	Governmental Activities		Business-type Activities		Total - Primary Government		Total Percent Change
	2022	2021	2022	2021	2022	2021	2022-2021
Revenues							
Program revenues:							
Charges for services	\$ 13,726,763	\$ 9,375,299	\$ 7,488,294	\$ 6,643,233	\$ 21,215,057	\$ 16,018,532	32.44%
Operating grants and contributions	6,229,950	4,416,023	-	-	6,229,950	4,416,023	41.08%
Capital grants and contributions	2,390,804	3,280,791	-	-	2,390,804	3,280,791	(27.13%)
General revenues:							
Property taxes	52,080,875	49,241,399	-	-	52,080,875	49,241,399	5.77%
Other taxes and licenses	1,935,598	1,656,480	-	-	1,935,598	1,656,480	16.85%
Grants and contributions not restricted for a specific purpose	2,326,642	3,040,980	-	-	2,326,642	3,040,980	(23.49%)
Unrestricted investment income	73,206	102,137	-	1,773	73,206	103,910	(29.55%)
Gain on disposal of capital assets	-	-	31,416	20,000	31,416	20,000	57.08%
Miscellaneous	377,871	197,409	-	-	377,871	197,409	91.42%
Total revenues	79,141,709	71,310,518	7,519,710	6,665,006	86,661,419	77,975,524	11.14%
Expenses							
Governmental activities:							
General government	17,342,105	17,117,584	-	-	17,342,105	17,117,584	1.31%
Public safety	30,728,185	29,284,748	-	-	30,728,185	29,284,748	4.93%
Transportation	7,280,152	6,362,138	-	-	7,280,152	6,362,138	14.43%
Public works	5,325,355	5,044,049	-	-	5,325,355	5,044,049	5.58%
Culture and recreation	6,023,945	4,379,793	-	-	6,023,945	4,379,793	37.54%
Judicial services	3,850,018	3,446,141	-	-	3,850,018	3,446,141	11.72%
Education	1,580,200	1,645,262	-	-	1,580,200	1,645,262	(3.95%)
Health and welfare	709,272	449,441	-	-	709,272	449,441	57.81%
Economic development	1,778,067	1,692,324	-	-	1,778,067	1,692,324	5.07%
Interest on long-term debt	329,999	342,443	-	-	329,999	342,443	(3.63%)
Business-type activities:							
FOCUS	-	-	934,000	-	934,000	-	-
Rock quarry	-	-	5,954,222	4,258,105	5,954,222	4,258,105	39.83%
Total expenses	74,947,298	69,763,923	6,888,222	4,258,105	81,835,520	74,022,028	10.56%
Excess before transfers	4,194,411	1,546,595	631,488	2,406,901	4,825,899	3,953,496	22.07%
Net transfers	66,000	750,000	(66,000)	(750,000)	-	-	-
Change in net position	4,260,411	2,296,595	565,488	1,656,901	4,825,899	3,953,496	22.07%
Net position, beginning of year, as restated	107,590,143	105,293,548	14,237,927	12,581,026	121,828,070	117,874,574	3.35%
Net position, end of year	\$ 111,850,554	\$ 107,590,143	\$ 14,803,415	\$ 14,237,927	\$ 126,653,969	\$ 121,828,070	3.96%

Changes in Net Position

The County's total net position of its governmental activities and its business-type activities increased by \$4.83 million, or 4.0%, over the prior year. This overall improvement in the financial position of the County was primarily through increased collections from charges for services and property tax revenues and funding of operating grants and contributions within the County's governmental activities.

Governmental Activities

The net position of the County's governmental activities increased by \$4.26 million, or 4.0%. Revenue increased from last year by \$7.83 million, or 11.0%, which is comprised mostly of an increase of \$5.28 million, or 30.9%, in program revenue and an increase of \$2.56 million, or 4.7%, in general revenues. Revenues that support governmental activities are derived mostly from taxes; grants and contributions, including federal aid; and charges for goods and services. Exhibit 3 illustrates the sources of revenues that support governmental activities.

Expenses associated with governmental activities increased by \$5.18 million, or 7.4%, for the fiscal year ended June 30, 2022. These expenses were associated primarily with services provided for public safety, general government, transportation, culture and recreation, public works, and judicial services. Exhibit 4 compares the cost of these services with their program revenues - revenues derived directly from the program itself or from parties outside the County's taxpayers or citizenry. The difference between the two represents the net cost of these services and are subsidized by taxes and other general revenues financed. For the fiscal year ended June 30, 2022, the County used \$52.60 million in tax and other general revenues to offset the net cost of all services that the County's governmental activities provided. Business-type activities transferred \$66,000 to the County's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2022 fiscal year:

- Charges for services increased by \$4.35 million, or 31.7%. Operating grants and contributions increased by \$1.81 million, or 29.1%, over the prior year. This was primarily due to increased airport fuel sales, solid waste recycling fees and federal funding to fight the COVID-19 pandemic.
- Property tax revenues increased by \$2.84 million, or 5.8%, and other tax and license revenues increased by \$279,118 or 16.9%. Overall tax collections increased during fiscal year 2022 due to increased real estate sales and new construction for the majority of the fiscal year 2022.
- The grants and contributions not restricted for a specific purpose decreased \$714,338, or 23.5% from the prior year due to not receiving the fourth quarter of fiscal year 2022 state aid payment \$732,681, within the revenue accrual window.
- Unrestricted investment income decreased by \$28,931, or 28.3%, from the previous fiscal year. This decrease is attributed to unrealized losses on investments. With rising interest rates in the nation's economy overall, the County's investments (at lower interest rates) have unrealized losses compared to higher interest low-risk investments in the market. However, when these investments mature, a loss of actual cash will not be realized.
- General government expenses increased by \$224,521, or 1.3% over the prior year. The increase in general government expenses was attributable to higher health insurance claims costs for employees and their family members resulting from COVID-19 related and other catastrophic illnesses during the 2022 fiscal year.
- Culture and recreation expenses increased by \$1.64 million, or 37.5% over the prior fiscal year. This increase was due primarily to a major improvement project at the Seneca Creek boat ramp and recreation area.
- Public safety expenses increased by \$1.44 million, or 4.9%, due to the 2021-2022 surge in gasoline prices and new vehicle purchases that were delayed from the prior year because of vehicle shortages.
- Transportation expenses increased by \$918,014, or 14.4%. The increase resulted from increased cost of airport fuels.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
for the Fiscal Year Ended June 30, 2022

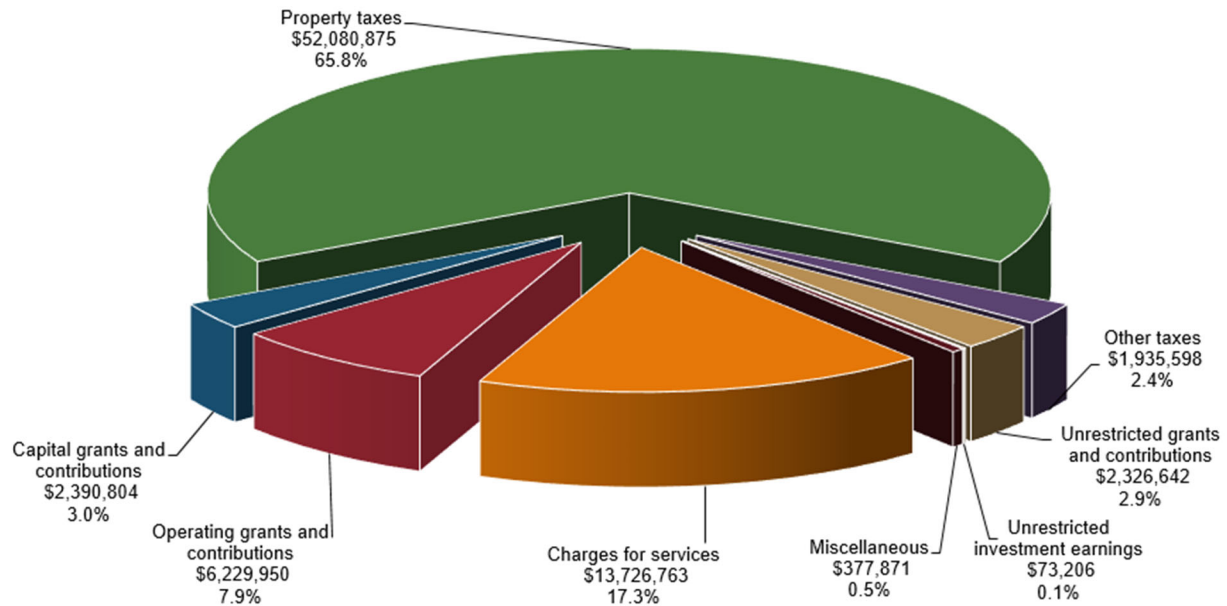
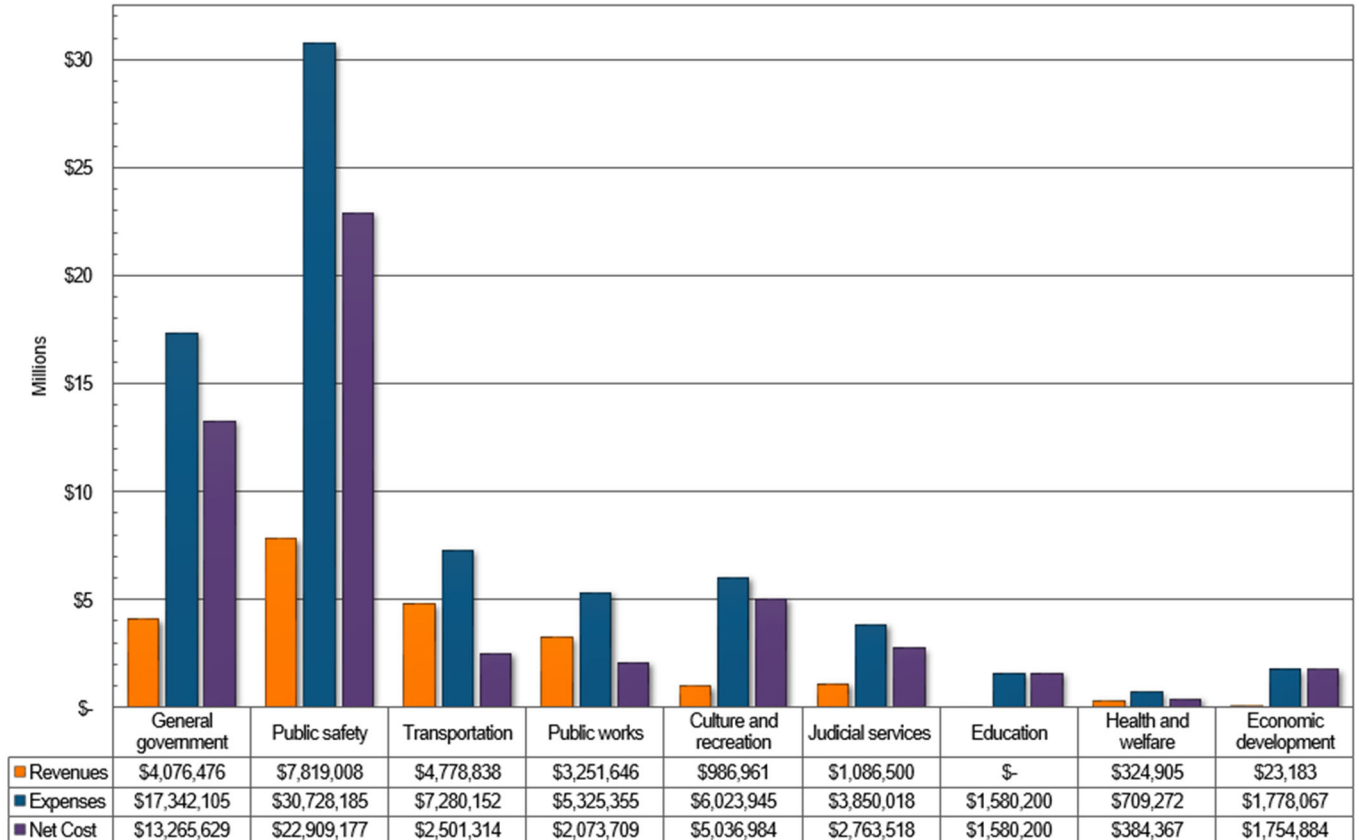


Exhibit 4
Governmental Activities
Net Cost of Services
for the Fiscal Year Ended June 30, 2022



Business-type Activities

The net position of the County's business-type activities increased by \$565,488, or 4.0%.

Most business-type activities are intended to be self-supporting. The Rock Quarry Fund accounts for the mining operations of the County's blue granite quarry. The Rock Quarry Fund's net position as of June 30, 2022, was \$14.80 million, which was an increase of \$565,488, or 4.0%, from last year. The FOCUS Fund was created to account for the operations of a federally funded broadband telecommunications system. In fiscal year 2016-2017, the County leased the system to One Tone. During 2022, the County entered into a new lease agreement with Upcountry Fiber.

Operating revenues of the Rock Quarry Fund increased by \$845,061, or 12.7%, and operating expenses for the production of crushed granite increased by \$1.70 million, or 39.8%, during the 2022 fiscal year. The increases in operating revenues resulted directly from sales that were fueled by demand for building materials to keep pace with the upsurge in the housing market. Additionally, Rock Quarry expenses increased because of equipment breaks requiring specialized parts whose prices had risen steeply because of supply chain costs affecting the County and the country as a whole.

Financial Analysis of the County's Funds

Oconee County uses fund accounting to ensure and demonstrate compliance with limitations set by the donor, grant authority, governing agency, or other individuals or organizations or by law. Within the fund financial statements, the focus is on reporting major funds.

Governmental Funds

Exhibit 5 shows the components of fund balance for the County's various governmental funds as of June 30, 2022.

Exhibit 5
Governmental Components of Fund Balances
for the Fiscal Year Ended June 30, 2022

Fund Balance Component	General Fund	Miscellaneous Special Revenue	Coronavirus S&L Fiscal Recovery	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 8,708,206	\$ -	\$ -	\$ -	\$ -	\$ 8,708,206
Restricted	-	493,595	-	-	18,193,104	18,686,699
Committed	-	-	-	-	-	-
Assigned	6,318,714	88,953	-	418,159	7,006,654	13,832,480
Unassigned	11,260,698	-	-	-	(60,556)	11,200,142
Totals	\$ 26,287,618	\$ 582,548	\$ -	\$ 418,159	\$ 25,139,202	\$ 52,427,527
Change from prior year	\$ 1,612,643	\$ 1,016,829	\$ -	\$ (1,837,212)	\$ 2,449,993	\$ 3,242,253
Percentage change	6.54%	(234.14%)	-	(81.46%)	10.80%	6.59%

At June 30, 2022, total ending fund balance for the County's governmental funds was \$52.43 million, which represents an increase of \$3.24 million, or 6.6%, from the prior year. This total contains an unassigned fund balance of \$11.20 million. The total also includes \$11.26 million reported by the General Fund as unassigned and available with no constraints for spending in the coming year. In addition, governmental funds reporting fund balances restricted by external parties or enabling legislation in fiscal year 2022 include the nonmajor governmental funds, which comprise \$18.69 million, or 35.6%, of the total fund balance. The remaining fund balance is nonspendable, committed, or assigned and is not available for future appropriation because it is not in a spendable form or is accessible only for specific purposes.

The *General Fund* is the County operating fund. This fund includes resources, such as property taxes, that pay for the services that the County traditionally has provided to its citizens. Most of the County's accounting activity occurs in the General Fund unless constraints established by enabling legislation or external parties require them to be accounted in another fund. Increases in property tax revenue of \$2.96 million, or 7.7%; charges for services of \$1.53 million, or 59.9%; and licenses, permits and fees of \$694,198, or 10.8%, from the prior year, contributed to the increases in the 2022 fiscal year's fund balance. Further, General Fund expenditures, which increased by \$3.21 million, or 5.9%, from the prior year, were below the total General Fund revenues, revealing the continued effects of the COVID-19 pandemic. Additionally, General Fund expenditures were more than prior year due to upswings in legal and professional fees and the cost of automobile and aircraft fuels, and a 6% employee pay raise.

The *Miscellaneous Special Revenue Fund* is a major special revenue fund, which accounts for multiple primarily restricted resources from grants and donations. These resources provide funding for specific projects outlined in a grant award or a donor's conditions for use. During the 2022 fiscal year, the total fund balance increased by \$1.02 million, or 234.1%, from the prior year. The increase in fund balance was primarily the result of an increase in federal grant funding of \$2.28 million, or 221.1% over the previous fiscal year. The increase in federal funding was related predominantly to two federal grants for emergency services projects, the USDA Emergency Watershed Protection Program grant and the USDHS Assistance to Firefighters grant. Mostly, this fund accounts for state and federal grants that are reimbursement-based.

The *Coronavirus State and Local (S&L) Fiscal Recovery Fund* accounts for the financial assistance provided to state and local governments to support their response to and recovery from the COVID-19 public health emergency. The County received \$7.73 million in 2021 and the same amount in 2022 for a total of \$15.45 million. In 2022, \$2.15 million was expended for premium pay for essential workers and was offset by an equal amount of revenue. The remaining balance, \$13.30 million, has been recorded as deferred revenue, which in the future will become revenue in corresponding amount to the qualifying expenditures. Because the revenues equal the expenditures, the fund balance for this fund is zero.

The *Capital Projects Fund* accounts for various capital projects. This fund accounts for capital projects funded mainly by proceeds from debt and federal airport improvement grants. The fund balance decreased by \$1.84 million, or 81.5%, during the 2022 fiscal year, leaving a fund balance of \$418,159 at the end of the fiscal year. The decrease in fund balance was a result of debt proceeds received in prior years being spent.

Nonmajor Governmental Funds are used to account for funds that are restricted for specific purposes, including emergency services; state and local accommodations taxes; property taxes for education, economic development, road maintenance, bridge and culvert maintenance, parks, recreation and tourism, and capital equipment and vehicles purchases; child support, library state aid, victims services and debt services. The \$2.45 million, or 10.8%, increase in fund balance during the 2022 fiscal year was primarily the result of a reduction of \$1.46 million, or 14.2%, in all nonmajor governmental funds expenditures and increase of \$107,000, or 76.4%, in transfers into the victims' assistance funds.

Proprietary Funds

Exhibit 6 shows the components of the net position for the County's two proprietary funds at June 30, 2022.

Exhibit 6
Proprietary Fund Net Positions
for the Fiscal Year Ended June 30, 2022

Fund Net Position	Enterprise Funds		
	Rock Quarry	FOCUS	Total Enterprise Funds
Net investment in capital assets	\$ 7,715,190	\$ -	\$ 7,715,190
Unrestricted	7,088,225	-	7,088,225
Totals	\$ 14,803,415	\$ -	\$ 14,803,415
 Change from prior year	 \$ 565,488	 \$ -	 \$ 565,488
Percentage change	3.97%	-	3.97%

The County's proprietary funds consist of two enterprise funds. Those enterprise funds are the Rock Quarry Fund and the FOCUS Fund.

Enterprise funds are reported as business-type activities in the government-wide financial statements and similarly in the enterprise fund financial statements. Furthermore, enterprise funds function much like private businesses, in that it sells goods or services primarily to customers outside of the primary government.

The net position of the *Rock Quarry Fund*, a major enterprise fund, increased by \$565,488, or 4.0%, over the prior year. As discussed in an earlier section for the government-wide net position, the Rock Quarry's operating expenses increased \$1.70 million from the prior year. In addition, the Rock Quarry operating revenues increased by \$845,061.

The *FOCUS Fund* had a net position of zero at June 30, 2022. The County is leasing the broadband system, which results in no revenues being generated or expenses incurred; therefore, FOCUS has no net position.

Budgetary General Fund Highlights

The estimated general fund revenues for the original fiscal year 2022 adopted budget were \$55.08 million. During the fiscal year, the original budget was amended to increase the revenues by \$500,000, or slightly more than 0.9%, to meet the demand for airport fuel. Actual revenues at June 30, 2022, were \$58.48 million, or 5.2%, over the final 2022 revenues budget. The final budget to actual variance in total revenue of \$2.91 million was due to increased sales building codes permits, commercial tipping fees for garbage deposited at the solid waste transfer station, and deed and other document recording fees. Real estate and personal property tax collections are the fund's major revenue source, which makes up 75.6% of the total revenues budgeted for the County.

Actual expenditures were under the amended appropriations by \$796,315. The budget included fire truck acquisitions for emergency services that could not be purchased because of the supply issues created by COVID-19.

Based on the results of operations, actual revenues exceeded expenditures by \$437,724, creating a budgetary surplus.

See the Required Supplementary Information section on pages 84 through 87 of this report for a detailed budgetary comparison schedule.

Capital Assets, Leased Assets, and Debt Administration

Capital Assets

At the end of the 2022 fiscal year, the County had \$141.06 million invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of \$1.05 million, or 0.8%, over the previous fiscal year (see Exhibit 7-1).

Exhibit 7-1
Capital Assets, Net of Depreciation
for the Fiscal Years Ended June 30

Asset Classes	Governmental Activities		Business-type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 6,461,165	\$ 5,526,094	\$ 3,483,038	\$ 3,081,978	\$ 9,944,203	\$ 8,608,072
Other costs	38,523,106	37,311,827	-	-	38,523,106	37,311,827
Construction in progress	7,731,174	8,904,506	-	-	7,731,174	8,904,506
Buildings and improvements	42,713,893	44,297,387	41,925	68,200	42,755,818	44,365,587
Equipment and vehicles	9,924,600	10,032,184	8,660,451	9,293,239	18,585,051	19,325,423
Infrastructure	23,259,513	21,224,366	-	-	23,259,513	21,224,366
Other	27,152	29,621	-	-	27,152	29,621
Mineral interests	-	-	233,922	240,804	233,922	240,804
Total	\$ 128,640,603	\$ 127,325,985	\$ 12,419,336	\$ 12,684,221	\$ 141,059,939	\$ 140,010,206

Governmental activities growth in capital asset investment occurred mostly in infrastructure and construction in progress. The Roads and Bridges Department converted \$5.37 million of previous and current year construction in progress into infrastructure. The County Airport added \$1.85 million to construction in progress for runway and terminal improvement and expansion projects that receive funding from federal grants covering 90% of project cost and state grants covering 5% of project costs. The County Parks converted \$213,138 for a RV sani-dump station and added a net of \$1.25 million to construction in progress for various park renovation projects. Funding for the County Park projects comes from property taxes and local accommodations taxes (LAT). The LAT rates are 1.5% for properties located inside a municipality or 3% for unincorporated areas. These additions are part of new and on-going construction projects.

The business-type activities had a decrease in capital assets from the prior year of \$264,885, or 2.1%. Rock Quarry disposals of multiple pieces of nearly obsolete heavy equipment were trade-ins with allowances totaling \$31,500 toward the purchase of new equipment. The accumulated depreciation for the disposals was \$1.55 million. The net value of the acquisitions for replacement equipment and for the purchase of 5.51 acres of land, the transfer of a vehicle from the governmental activities, and the disposal of the old equipment decreased by \$421,709.

Leased Assets

At the end of the 2022 fiscal year, the County had \$357,316 in leased assets, net of amortization. This represents a net increase including additions and deductions of \$145,208, or 68.5%, over the previous fiscal year (see Exhibit 7-2).

Exhibit 7-2
Leased Assets, Net of Amortization
for the Fiscal Years Ended June 30

Leased Asset Classes	Governmental Activities		Business-type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
Buildings	\$ 107,461	\$ 141,843	\$ -	-	\$ 107,461	\$ 141,843
Equipment	3,937	7,873	-	-	3,937	7,873
Vehicles	245,918	62,392	-	-	245,918	62,392
Totals	\$ 357,316	\$ 212,108	\$ -	\$ -	\$ 357,316	\$ 212,108

See Note 7 in the notes to the financial statements on page 55 of this report for additional information on the County's capital and leased assets.

Debt Outstanding

At June 30, 2022, the County had a total of \$21.85 million in bonds and notes outstanding - a decrease of \$1.40 million, or a 6.0%, from the previous year (see Exhibit 8).

Exhibit 8
Outstanding Debt
for the Fiscal Years Ended June 30

	Governmental Activities		Business-type Activities		Total - Primary Government		Total Percent Change
	2022	2021	2022	2021	2022	2021	2022-2021
General obligation (GO) bonds							
Applicable to the debt margin:							
GO bonds	\$ 2,720,000	\$ 3,261,000	\$ -	\$ -	\$ 2,720,000	\$ 3,261,000	(16.59%)
Plus unamortized premium	7,758	10,133	-	-	7,758	10,133	(23.44%)
GO refunding bonds	7,170,000	7,810,000	-	-	7,170,000	7,810,000	(8.19%)
Total GO bonds applicable to the debt margin	9,897,758	11,081,133	-	-	9,897,758	11,081,133	(10.68%)
Not applicable to the debt margin:							
GO bonds for special tax districts	370,525	523,676	-	-	370,525	523,676	(29.25%)
Total GO bonds not applicable to the debt margin	370,525	523,676	-	-	370,525	523,676	(29.25%)
Total GO bonds	10,268,283	11,604,809	-	-	10,268,283	11,604,809	(11.52%)
Financed purchases	5,968,985	5,259,473	4,704,146	5,192,162	10,673,131	10,451,635	2.12%
Special source refunding revenue bonds	909,000	1,198,000	-	-	909,000	1,198,000	(24.12%)
Total	\$ 17,146,268	\$ 18,062,282	\$ 4,704,146	\$ 5,192,162	\$ 21,850,414	\$ 23,254,444	(6.04%)

The repayment of principal on outstanding debt exceeded issuances of debt, resulting in a decrease in debt outstanding for governmental activities of \$916,014, or 5.1%.

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

Furthermore, the State of South Carolina limits the amount of general obligation debt that a unit of government can issue, to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin, (amount of general obligation debt that the County could borrow without a referendum), for the County is approximately \$43.34 million, which is 11.2% increase from the prior year. The legal debt margin calculation does not apply to GO debt issued for special tax districts.

See Note 8 in the notes to the financial statements on pages 55 - 59 of this report for additional information about the County's long-term debt.

Economic Factors and Next Year's Budget

Forecasted Budgetary General Fund Revenues for Fiscal Year 2022-2023

In June 2022, County Council approved the Ordinance 2022-1 for the fiscal year 2022-2023 annual budget. The General Fund's budgetary revenue estimate was \$60.61 million. Less than two months later, the General Fund was amended to approve coverage of airport grant match expenditures totaling \$384,056. The General Fund amended budgetary revenues are \$61.00 million. At the end of the first quarter of fiscal year 2021-2022, the General Fund revenue collections were \$ 3.3 million, or 6%. The first quarter of fiscal year 2022-2023 had General Fund revenues collections of \$5.17 million, or 8.8%

Economic Conditions

With COVID-19 relenting and the growth from the housing market boom, the 2022-2023 revenue forecasts are slightly above target. Budgetary General Fund revenue collections for the first three months of fiscal year 2023 were 57.2% more than the same period in the prior fiscal year of \$3.29 million. In the General Fund, property taxes are the main source of funding.

Figure 9 below provides a graph of the budget and actual for the General Fund property taxes. During the COVID-19 fiscal years, 2020 through 2022, the actual collections were down as compared to the budget. For 2023, the collections are anticipated to realign with the budget. The return of unemployment rates to levels experienced in the pre-COVID-19 years (Exhibit 9-2) and the increase in the housing market of list prices (Exhibit 9-3) support the budgetary forecasts of 2023.

Exhibit 9-1
General Fund Property Taxes
Actual and Budget

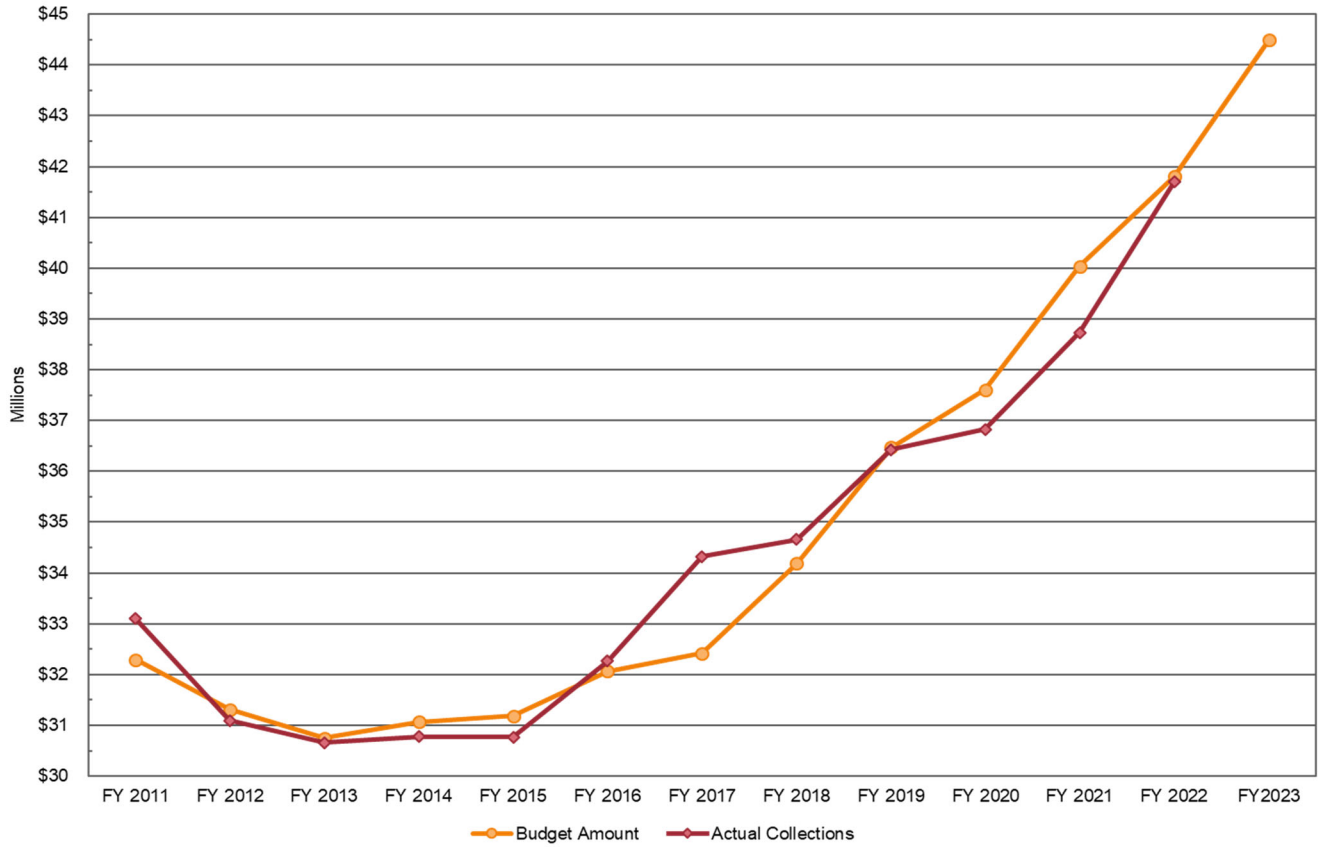


Exhibit 9-2
Oconee County Annual Unemployment Rate
Source: SC Department of Employment and Workforce

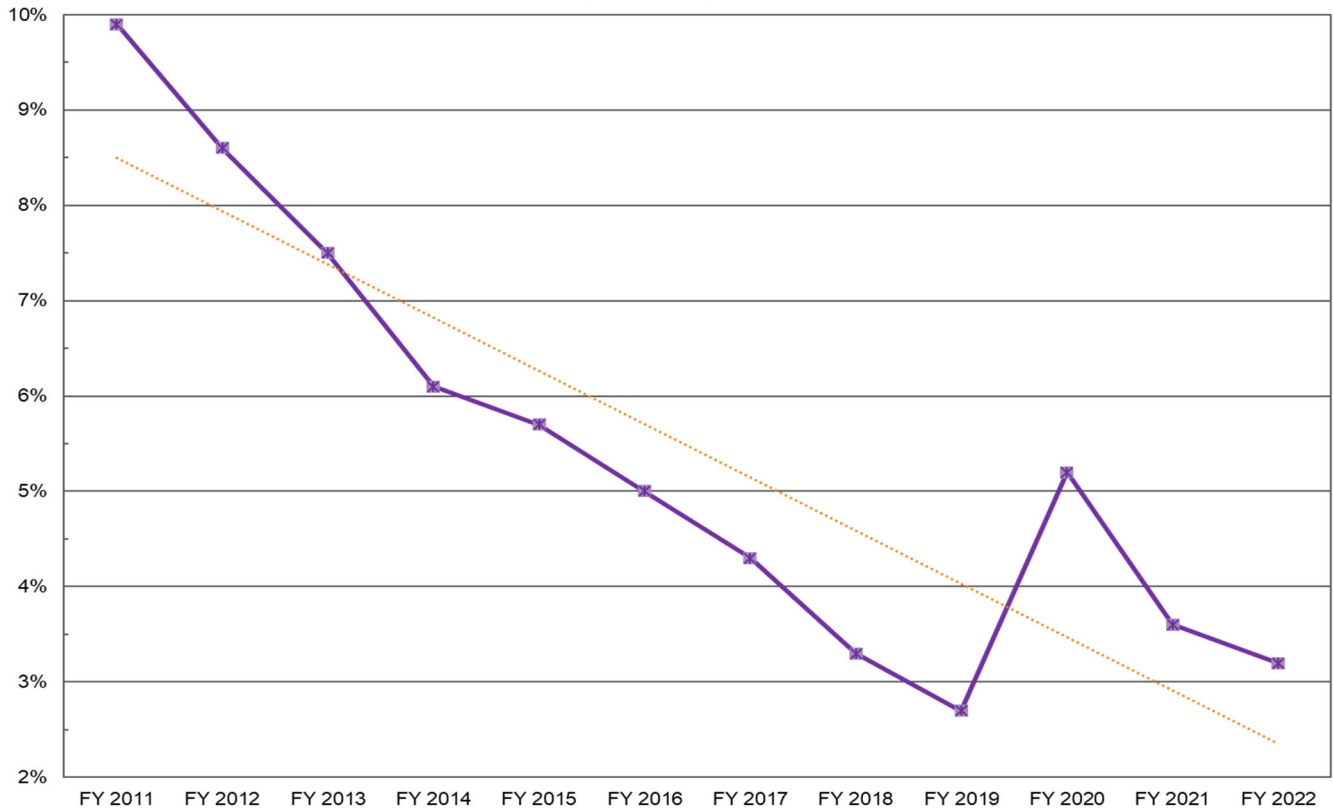
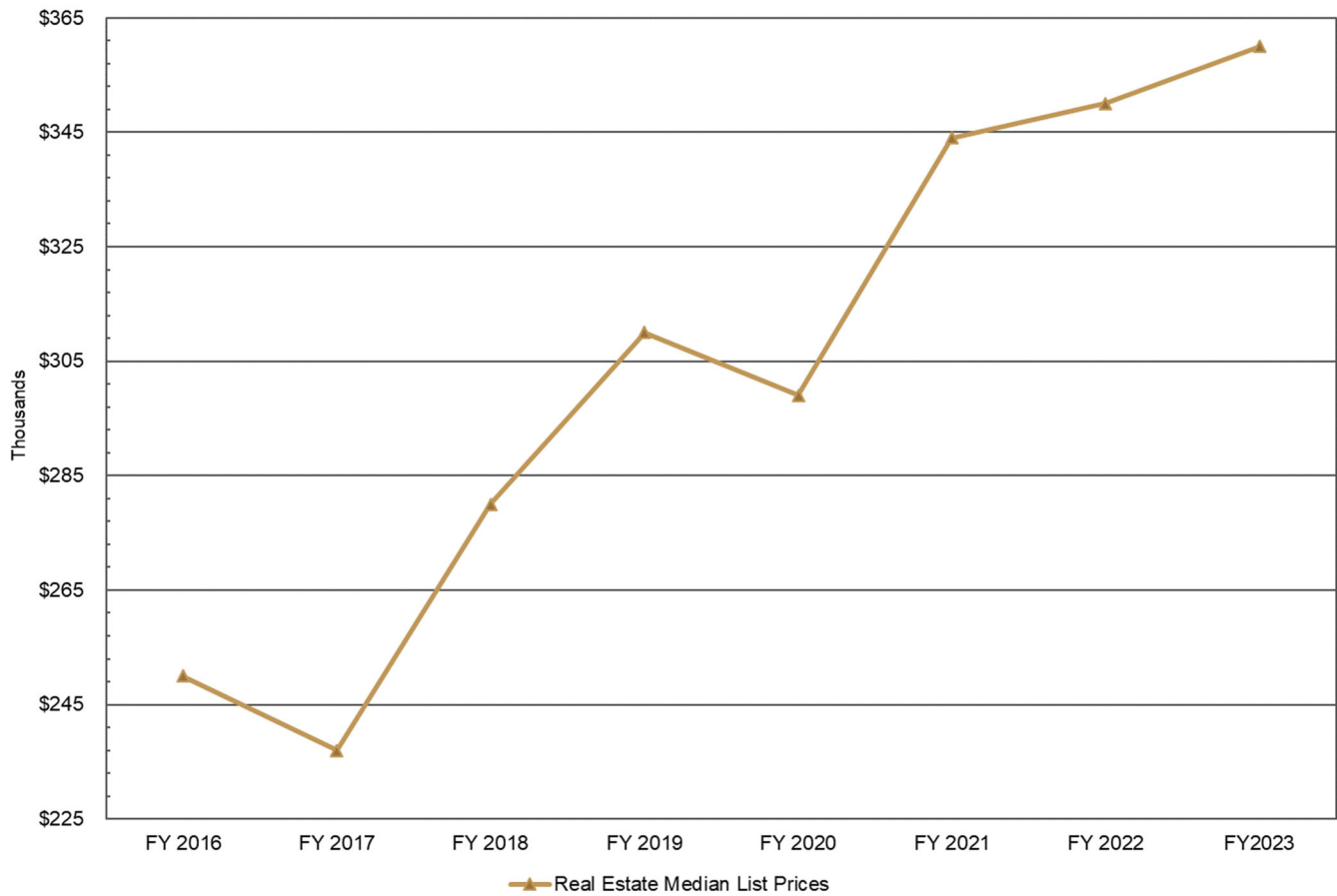


Exhibit 9-3
Real Estate Median List Prices
 Source: Realtor.com



Requests for Information

The primary purpose of this financial report is to provide Oconee County's citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Please address any questions concerning information in this report to:

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

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government			Component Unit
	Governmental	Business-type		Keowee Fire
	Activities	Activities	Total	Tax District
ASSETS				
Cash and cash equivalents	\$ 42,170,391	\$ 10,550,992	\$ 52,721,383	\$ 850,979
Investments	17,489,085	247,936	17,737,021	-
Receivables:				
Taxes	1,092,284	-	1,092,284	20,182
Accounts	573,009	179,686	752,695	-
Due from other governments	3,672,939	-	3,672,939	15,000
Other	125,466	-	125,466	-
Internal balances	6,173,939	(6,173,939)	-	-
Due from component unit	350,674	-	350,674	-
Inventories	270,917	333,278	604,195	-
Prepaid expenses	9,102	-	9,102	-
Seized assets	234,750	-	234,750	-
Lease receivable	43,010	4,600,001	4,643,011	-
Assets held for resale	28	-	28	-
Assets held for economic development	4,346,399	-	4,346,399	-
Capital assets:				
Right-to-use lease, net of accumulated amortization	357,316	-	357,316	-
Nondepreciable	52,715,445	3,483,038	56,198,483	-
Depreciable, net of accumulated depreciation	75,925,158	8,936,298	84,861,456	1,593,618
Total assets	<u>205,549,912</u>	<u>22,157,290</u>	<u>227,707,202</u>	<u>2,479,779</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	1,792,270	75,200	1,867,470	-
Pension - South Carolina Retirement System	6,549,038	465,784	7,014,822	-
Pension - South Carolina Police Officers Retirement System	5,587,683	-	5,587,683	250,244
Total deferred outflows of resources	<u>13,928,991</u>	<u>540,984</u>	<u>14,469,975</u>	<u>250,244</u>
LIABILITIES				
Accounts payable	4,961,006	390,027	5,351,033	-
Accrued liabilities	3,265,905	95,888	3,361,793	2,325
Unearned revenues	13,554,805	-	13,554,805	-
Due to primary government	-	-	-	350,674
Noncurrent liabilities:				
Due within one year	3,411,613	533,594	3,945,207	16,335
Due in more than one year	18,467,078	4,223,356	22,690,434	36,186
Total other postemployment benefits liability	12,446,894	522,247	12,969,141	-
Net Pension Liability:				
South Carolina Retirement System	23,355,972	1,661,136	25,017,108	-
South Carolina Police Officers Retirement System	16,014,022	-	16,014,022	704,313
Total liabilities	<u>95,477,295</u>	<u>7,426,248</u>	<u>102,903,543</u>	<u>1,109,833</u>
DEFERRED INFLOWS OF RESOURCES				
Lease receipts	41,851	-	41,851	-
Other postemployment benefits	310,442	13,025	323,467	-
Pension - South Carolina Retirement System	6,405,653	455,586	6,861,239	-
Pension - South Carolina Police Officers Retirement System	5,393,108	-	5,393,108	195,131
Total deferred inflows of resources	<u>12,151,054</u>	<u>468,611</u>	<u>12,619,665</u>	<u>195,131</u>
NET POSITION				
Net investment in capital assets	112,554,496	7,715,190	120,269,686	1,220,768
Restricted for capital projects	9,526,560	-	9,526,560	-
Restricted for debt service	2,404,878	-	2,404,878	-
Restricted for fringe expenditures	-	-	-	48,686
Restricted for general government	208,595	-	208,595	-
Restricted for judicial services	137,357	-	137,357	-
Restricted for education	1,659,590	-	1,659,590	-
Restricted for public works	127,832	-	127,832	-
Restricted for economic development	691	-	691	-
Restricted for culture and recreation	1,194,450	-	1,194,450	-
Restricted for public safety	1,757,923	-	1,757,923	-
Restricted for health and welfare	2,156	-	2,156	-
Restricted for transportation	1,666,667	-	1,666,667	-
Unrestricted	(19,390,641)	7,088,225	(12,302,416)	155,605
Total net position	<u>\$ 111,850,554</u>	<u>\$ 14,803,415</u>	<u>\$ 126,653,969</u>	<u>\$ 1,425,059</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
Primary government:								
Governmental activities:								
General government	\$ 17,342,105	\$ 2,216,793	\$ 1,766,188	\$ 93,495	\$ (13,265,629)	\$ -	\$ (13,265,629)	\$ -
Public safety	30,728,185	4,065,864	3,628,627	124,517	(22,909,177)	-	(22,909,177)	-
Transportation	7,280,152	2,638,794	4,260	2,135,784	(2,501,314)	-	(2,501,314)	-
Public works	5,325,355	3,134,799	116,847	-	(2,073,709)	-	(2,073,709)	-
Culture and recreation	6,023,945	767,681	205,130	14,150	(5,036,984)	-	(5,036,984)	-
Judicial services	3,850,018	902,507	183,993	-	(2,763,518)	-	(2,763,518)	-
Education	1,580,200	-	-	-	(1,580,200)	-	(1,580,200)	-
Health and welfare	709,272	-	324,905	-	(384,367)	-	(384,367)	-
Economic development	1,778,067	325	-	22,858	(1,754,884)	-	(1,754,884)	-
Interest on long-term debt	329,999	-	-	-	(329,999)	-	(329,999)	-
Total governmental activities	74,947,298	13,726,763	6,229,950	2,390,804	(52,599,781)	-	(52,599,781)	-
Business-type activities:								
FOCUS	934,000	-	-	-	-	(934,000)	(934,000)	-
Rock quarry	5,954,222	7,488,294	-	-	-	1,534,072	1,534,072	-
Total business-type activities	6,888,222	7,488,294	-	-	-	600,072	600,072	-
Total primary government	\$ 81,835,520	\$ 21,215,057	\$ 6,229,950	\$ 2,390,804	(52,599,781)	600,072	(51,999,709)	-
Component unit:								
Keowee Fire Tax District	\$ 942,411	\$ 75,000	\$ 25,609	\$ 15,000	-	-	-	(826,802)
General revenues:								
Property taxes levied for:								
General purposes					42,805,086	-	42,805,086	-
Public safety					1,697,599	-	1,697,599	968,082
Debt service					1,567,385	-	1,567,385	-
Capital projects					2,859,847	-	2,859,847	-
Economic development					1,214,786	-	1,214,786	-
Education					1,936,172	-	1,936,172	-
Other taxes and licenses					1,935,598	-	1,935,598	-
Grants and contributions not restricted for a specific purpose					2,326,642	-	2,326,642	45,000
Unrestricted investment earnings					73,206	-	73,206	519
Gain on disposal of capital assets					-	31,416	31,416	-
Miscellaneous					377,871	-	377,871	45,255
Transfers					66,000	(66,000)	-	-
Total general revenues and transfers					56,860,192	(34,584)	56,825,608	1,058,856
Change in net position					4,260,411	565,488	4,825,899	232,054
Net position, beginning of year					107,590,143	14,237,927	121,828,070	1,193,005
Net position, end of year					\$ 111,850,554	\$ 14,803,415	\$ 126,653,969	\$ 1,425,059

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

OCONEE COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

	General	Miscellaneous Special Revenue	Coronavirus S&L Fiscal Recovery	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,083,694	\$ -	\$ 13,458,680	\$ 85,433	\$ 23,542,584	\$ 42,170,391
Investments	17,039,085	-	-	-	450,000	17,489,085
Taxes receivable, net	885,232	-	-	-	207,052	1,092,284
Accounts receivable, net	427,195	-	-	-	145,814	573,009
Due from other governments	994,436	1,516,917	-	935,780	225,806	3,672,939
Lease receivable	43,010	-	-	-	-	43,010
Due from other funds	642,101	-	-	-	-	642,101
Due from component unit	-	-	-	-	350,674	350,674
Other receivables	125,466	-	-	-	-	125,466
Advances to other funds	6,173,939	-	-	-	-	6,173,939
Prepaid expenditures	9,102	-	-	-	-	9,102
Inventories	270,917	-	-	-	-	270,917
Seized assets	-	234,750	-	-	-	234,750
Assets held for resale	28	-	-	-	-	28
Assets held for economic development	2,254,220	-	-	-	2,092,179	4,346,399
Total assets	<u>\$ 33,948,425</u>	<u>\$ 1,751,667</u>	<u>\$ 13,458,680</u>	<u>\$ 1,021,213</u>	<u>\$ 27,014,109</u>	<u>\$ 77,194,094</u>
LIABILITIES						
Accounts payable	\$ 3,211,644	\$ 183,483	\$ 158,353	\$ 17,011	\$ 1,390,515	\$ 4,961,006
Due to other funds	-	467,957	-	-	174,144	642,101
Accrued liabilities	3,150,318	3,159	-	-	15,647	3,169,124
Unearned revenue	-	70,429	13,300,327	-	184,049	13,554,805
Total liabilities	<u>6,361,962</u>	<u>725,028</u>	<u>13,458,680</u>	<u>17,011</u>	<u>1,764,355</u>	<u>22,327,036</u>
DEFERRED INFLOWS OF RESOURCES						
Lease receipts	41,851	-	-	-	-	41,851
Unavailable revenue - property taxes	524,285	-	-	-	110,552	634,837
Unavailable revenue - seized property	-	234,750	-	-	-	234,750
Unavailable revenue - intergovernmental	732,681	209,341	-	586,043	-	1,528,065
Unavailable revenue - forfeited land commission	28	-	-	-	-	28
Total deferred inflows of resources	<u>1,298,845</u>	<u>444,091</u>	<u>-</u>	<u>586,043</u>	<u>110,552</u>	<u>2,439,531</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	9,102	-	-	-	-	9,102
Inventories	270,917	-	-	-	-	270,917
Assets held for resale	28	-	-	-	-	28
Assets held for economic development	2,254,220	-	-	-	-	2,254,220
Advances to other funds	6,173,939	-	-	-	-	6,173,939
Restricted for:						
General government	-	208,595	-	-	-	208,595
Public safety	-	33,857	-	-	1,724,066	1,757,923
Transportation	-	9,482	-	-	1,657,185	1,666,667
Culture and recreation	-	108,509	-	-	1,085,941	1,194,450
Judicial services	-	2,473	-	-	134,884	137,357
Education	-	-	-	-	1,659,590	1,659,590
Public works	-	127,832	-	-	-	127,832
Health and welfare	-	2,156	-	-	-	2,156
Economic development	-	691	-	-	-	691
Capital projects	-	-	-	-	9,526,560	9,526,560
Debt service	-	-	-	-	2,404,878	2,404,878
Assigned:						
Solid waste reserve	933,800	-	-	-	-	933,800
Health care reserve	2,000,000	-	-	-	-	2,000,000
Assets held for economic development	-	-	-	-	2,092,179	2,092,179
OPEB reserve	1,207,715	-	-	-	-	1,207,715
Subsequent year's budget	2,177,199	88,953	-	418,159	4,914,475	7,598,786
Unassigned	11,260,698	-	-	-	(60,556)	11,200,142
Total fund balances	<u>26,287,618</u>	<u>582,548</u>	<u>-</u>	<u>418,159</u>	<u>25,139,202</u>	<u>52,427,527</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,948,425</u>	<u>\$ 1,751,667</u>	<u>\$ 13,458,680</u>	<u>\$ 1,021,213</u>	<u>\$ 27,014,109</u>	<u>\$ 77,194,094</u>

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

OCONEE COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances for governmental funds:		\$	52,427,527
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets (including right-to-use leased assets) used in governmental activities are not financial resources and, therefore, are not reported in the funds.			128,997,919
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			2,397,680
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.			
General obligation bonds	\$	(10,268,283)	
Lease payable		(365,603)	
Financed purchase obligations		(5,968,985)	
Special source revenue bonds		(909,000)	
Other post-employment benefits, net of related deferred outflows and deferred inflows of resources		(10,965,066)	
Post-closure care liabilities		(2,784,287)	
Compensated absences payable		(1,582,533)	
Net pension liability, net of related deferred outflows and deferred inflows of resources		<u>(39,032,034)</u>	
			(71,875,791)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.			<u>(96,781)</u>
Net position of governmental activities		\$	<u><u>111,850,554</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Miscellaneous Special Revenue	Coronavirus S&L Fiscal Recovery	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 41,696,010	\$ -	\$ -	\$ -	\$ 10,683,117	\$ 52,379,127
Other taxes	-	-	-	-	1,676,595	1,676,595
Intergovernmental	4,888,193	3,305,813	2,150,551	2,098,225	1,314,019	13,756,801
Licenses, permits and fees	7,120,409	10,555	-	-	65,294	7,196,258
Fines and forfeitures	257,592	380	-	-	103,870	361,842
Charges for services	4,085,819	-	-	-	-	4,085,819
Interest revenue	-	996	-	-	72,210	73,206
Contributions and donations	-	55,502	-	-	-	55,502
Other revenues	434,845	47,418	-	-	53,746	536,009
Total revenues	<u>58,482,868</u>	<u>3,420,664</u>	<u>2,150,551</u>	<u>2,098,225</u>	<u>13,968,851</u>	<u>80,121,159</u>
EXPENDITURES						
Current:						
General government	15,789,855	71,092	-	1,939,333	-	17,800,280
Public safety	23,362,204	1,694,402	2,150,551	-	2,699,328	29,906,485
Transportation	4,819,704	105,117	-	-	511,974	5,436,795
Public works	5,437,033	144,328	-	-	-	5,581,361
Culture and recreation	3,556,088	74,783	-	-	2,382,276	6,013,147
Judicial services	3,378,027	-	-	-	145,914	3,523,941
Education	-	-	-	-	1,580,200	1,580,200
Health and welfare	285,382	300,874	-	-	-	586,256
Economic development	530,555	-	-	-	695,781	1,226,336
Capital outlay	-	42,078	-	2,499,663	1,869,801	4,411,542
Debt service:						
Principal	797,976	-	-	-	1,623,151	2,421,127
Interest	88,320	-	-	-	241,317	329,637
Total expenditures	<u>58,045,144</u>	<u>2,432,674</u>	<u>2,150,551</u>	<u>4,438,996</u>	<u>11,749,742</u>	<u>78,817,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>437,724</u>	<u>987,990</u>	<u>-</u>	<u>(2,340,771)</u>	<u>2,219,109</u>	<u>1,304,052</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,094,600	75,939	-	503,559	250,986	1,925,084
Transfers out	(1,718,765)	(48,130)	-	-	(92,189)	(1,859,084)
Insurance recoveries	143,969	-	-	-	-	143,969
Financed purchase agreement	1,359,734	-	-	-	-	1,359,734
Lease proceeds	294,654	-	-	-	-	294,654
Sale of capital assets	727	1,030	-	-	72,087	73,844
Total other financing sources, net	<u>1,174,919</u>	<u>28,839</u>	<u>-</u>	<u>503,559</u>	<u>230,884</u>	<u>1,938,201</u>
Net change in fund balances	<u>1,612,643</u>	<u>1,016,829</u>	<u>-</u>	<u>(1,837,212)</u>	<u>2,449,993</u>	<u>3,242,253</u>
Fund balances (deficits), beginning of year	<u>24,674,975</u>	<u>(434,281)</u>	<u>-</u>	<u>2,255,371</u>	<u>22,689,209</u>	<u>49,185,274</u>
Fund balances, end of year	<u>\$ 26,287,618</u>	<u>\$ 582,548</u>	<u>\$ -</u>	<u>\$ 418,159</u>	<u>\$ 25,139,202</u>	<u>\$ 52,427,527</u>

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

OCONEE COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	\$	3,242,253
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Capital outlay	\$	8,694,490	
Amortization expense		(149,446)	
Depreciation expense		<u>(6,208,388)</u>	
			2,336,656

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(883,425)
---	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(1,123,419)
--	--	-------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the Statement of Activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$	2,421,127	
Issuance of long-term debt		(1,654,388)	
Amortization of premium on long-term debt		<u>2,375</u>	
			769,114

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

Pension liability	\$	491,441	
Landfill post-closure liability		(377,878)	
Compensated absences		48,605	
Accrued interest on long-term debt		(2,737)	
Other postemployment benefits liability		<u>(240,199)</u>	
			<u>(80,768)</u>
			<u>\$ 4,260,411</u>

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 42,036,385	\$ 42,036,385	\$ 41,696,010	\$ (340,375)
Intergovernmental	4,144,712	4,144,712	4,888,193	743,481
Licenses, permits and fees	5,921,250	5,921,250	7,120,409	1,199,159
Fines and forfeitures	222,600	222,600	257,592	34,992
Charges for services	2,071,016	2,571,016	4,085,819	1,514,803
Interest revenue	475,000	475,000	-	(475,000)
Other revenues	204,189	204,189	434,845	230,656
Total revenues	<u>55,075,152</u>	<u>55,575,152</u>	<u>58,482,868</u>	<u>2,907,716</u>
EXPENDITURES:				
Current:				
General government:				
County council	311,016	312,660	289,685	22,975
Legislative delegation	96,389	98,099	92,659	5,440
Finance department	679,902	746,666	737,673	8,993
Non-departmental expenditures	2,148,822	2,248,928	5,386,284	(3,137,356)
Human resources	344,375	430,773	428,980	1,793
Information technology	1,132,226	1,110,551	1,073,080	37,471
Planning commission	388,924	382,733	335,477	47,256
Procurement	176,724	188,976	187,041	1,935
Facilities maintenance	1,389,957	1,398,198	1,326,458	71,740
Registration and elections	244,196	249,069	283,245	(34,176)
Soil and water conservation	84,043	85,027	75,211	9,816
Administrator's office	925,038	626,719	649,422	(22,703)
Vehicle maintenance	962,684	993,737	991,733	2,004
Register of deeds	315,744	334,858	328,224	6,634
Assessor	1,035,941	1,049,635	967,483	82,152
Auditor	603,155	612,713	590,127	22,586
Board of assessment appeals	12,003	12,003	1,547	10,456
Tax collector	459,939	471,054	375,455	95,599
Treasurer	645,385	629,430	619,985	9,445
Direct aid	671,867	740,103	675,089	65,014
County attorney	398,876	434,970	374,997	59,973
Total general government	<u>13,027,206</u>	<u>13,156,902</u>	<u>15,789,855</u>	<u>(2,632,953)</u>
Public safety:				
Sheriff's department	9,769,341	10,028,329	10,008,459	19,870
Law enforcement center	4,617,760	4,678,724	4,563,534	115,190
Communications	1,718,079	1,765,111	1,754,919	10,192
Animal control	658,107	665,508	638,162	27,346
Coroner	303,470	312,110	306,492	5,618
Building codes	651,582	661,650	634,805	26,845
Emergency management	7,706,044	7,948,890	5,455,833	2,493,057
Total public safety	<u>25,424,383</u>	<u>26,060,322</u>	<u>23,362,204</u>	<u>2,698,118</u>
Transportation:				
County airport	1,381,264	1,947,153	2,240,265	(293,112)
Roads department	2,967,509	2,984,838	2,579,439	405,399
Total transportation	<u>4,348,773</u>	<u>4,931,991</u>	<u>4,819,704</u>	<u>112,287</u>
Public works:				
Solid waste	<u>5,407,617</u>	<u>5,898,289</u>	<u>5,437,033</u>	<u>461,256</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES: (CONTINUED)				
Culture and recreation:				
Library	\$ 1,469,376	\$ 1,495,888	\$ 1,426,414	\$ 69,474
Parks, recreation and tourism	769,984	776,823	620,851	155,972
High Falls Park	451,949	498,760	491,681	7,079
South Cove Park	552,636	608,977	606,025	2,952
Chau Ram Park	373,660	411,251	411,117	134
Total culture and recreation	<u>3,617,605</u>	<u>3,791,699</u>	<u>3,556,088</u>	<u>235,611</u>
Judicial services:				
Clerk of court	696,419	708,592	741,393	(32,801)
Probate judge	377,073	378,940	348,316	30,624
Solicitor	1,013,700	1,034,044	761,796	272,248
Public defender	250,000	250,000	250,000	-
Magistrate office	938,198	905,613	1,276,522	(370,909)
Total judicial	<u>3,275,390</u>	<u>3,277,189</u>	<u>3,378,027</u>	<u>(100,838)</u>
Health and welfare:				
Department of social services	13,200	13,200	11,420	1,780
Health department	29,134	72,254	69,029	3,225
Veteran's affairs	213,403	216,024	204,933	11,091
Total health and welfare	<u>255,737</u>	<u>301,478</u>	<u>285,382</u>	<u>16,096</u>
Economic development:				
Economic development	<u>682,691</u>	<u>685,047</u>	<u>530,555</u>	<u>154,492</u>
Debt service	<u>738,542</u>	<u>738,542</u>	<u>886,296</u>	<u>(147,754)</u>
Total expenditures	<u>56,777,944</u>	<u>58,841,459</u>	<u>58,045,144</u>	<u>796,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,702,792)</u>	<u>(3,266,307)</u>	<u>437,724</u>	<u>3,704,031</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,220,000	1,220,000	1,094,600	(125,400)
Transfers out	(747,000)	(747,000)	(1,718,765)	(971,765)
Insurance recoveries	40,000	40,000	143,969	103,969
Financed purchase agreement	1,359,734	1,359,734	1,359,734	-
Lease principal	-	-	294,654	294,654
Sale of capital assets	-	-	727	727
Total other financing sources, net	<u>1,872,734</u>	<u>1,872,734</u>	<u>1,174,919</u>	<u>(697,815)</u>
Net change in fund balances	169,942	(1,393,573)	1,612,643	3,006,216
Fund balances, beginning of year	<u>24,674,975</u>	<u>24,674,975</u>	<u>24,674,975</u>	<u>-</u>
Fund balances, end of year	<u>\$ 24,844,917</u>	<u>\$ 23,281,402</u>	<u>\$ 26,287,618</u>	<u>\$ 3,006,216</u>

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL MISCELLANEOUS SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 325,347	\$ 327,975	\$ 3,305,813	\$ 2,977,838
Licenses and permits	-	-	10,555	10,555
Fines and forfeitures	-	-	380	380
Contributions and donations	-	-	55,502	55,502
Other revenue	-	-	47,418	47,418
Interest revenue	-	-	996	996
	<u>325,347</u>	<u>327,975</u>	<u>3,420,664</u>	<u>3,092,689</u>
EXPENDITURES				
General government	-	-	71,092	(71,092)
Public safety	220,724	271,688	1,694,402	(1,422,714)
Public works	73,090	126,093	144,328	(18,235)
Transportation	-	-	105,117	(105,117)
Health and welfare	-	-	300,874	(300,874)
Culture and recreation	28,643	37,443	74,783	(37,340)
Economic development	-	1,159	-	1,159
Capital outlay	-	65,798	42,078	23,720
Total expenditures	<u>322,457</u>	<u>502,181</u>	<u>2,432,674</u>	<u>(1,930,493)</u>
Excess (deficiency) of revenues over (under) expenditures	2,890	(174,206)	987,990	1,162,196
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(48,130)	(48,130)
Transfers in	-	-	75,939	75,939
Sale of capital assets	-	-	1,030	1,030
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>28,839</u>	<u>28,839</u>
Net change in fund balance	2,890	(174,206)	1,016,829	1,191,035
Fund balances (deficits), beginning of year	<u>(434,281)</u>	<u>(434,281)</u>	<u>(434,281)</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ (431,391)</u>	<u>\$ (608,487)</u>	<u>\$ 582,548</u>	<u>\$ 1,191,035</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 8,818,197	\$ 1,732,795	\$ 10,550,992
Investments	247,936	-	247,936
Accounts receivable, net of allowance	120,884	58,802	179,686
Inventories	333,278	-	333,278
Total current assets	<u>9,520,295</u>	<u>1,791,597</u>	<u>11,311,892</u>
NONCURRENT ASSETS			
Lease receivable	-	4,600,001	4,600,001
Capital assets:			
Nondepreciable	3,483,038	-	3,483,038
Depreciable, net of accumulated depreciation	8,936,298	-	8,936,298
Total noncurrent assets	<u>12,419,336</u>	<u>4,600,001</u>	<u>17,019,337</u>
Total assets	<u>21,939,631</u>	<u>6,391,598</u>	<u>28,331,229</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits	75,200	-	75,200
Pension - South Carolina Retirement System	465,784	-	465,784
Total deferred outflows of resources	<u>540,984</u>	<u>-</u>	<u>540,984</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	172,368	217,659	390,027
Accrued liabilities	95,888	-	95,888
Current portion - compensated absences	25,423	-	25,423
Current portion - financed purchase payable	508,171	-	508,171
Total current liabilities	<u>801,850</u>	<u>217,659</u>	<u>1,019,509</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	27,381	-	27,381
Advances from other funds	-	6,173,939	6,173,939
Financed purchase payable, net of current portion	4,195,975	-	4,195,975
Total other postemployment benefits liability	522,247	-	522,247
Net pension liability - South Carolina Retirement System	1,661,136	-	1,661,136
Total noncurrent liabilities	<u>6,406,739</u>	<u>6,173,939</u>	<u>12,580,678</u>
Total liabilities	<u>7,208,589</u>	<u>6,391,598</u>	<u>13,600,187</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits	13,025	-	13,025
Pension - South Carolina Retirement System	455,586	-	455,586
Total deferred inflows of resources	<u>468,611</u>	<u>-</u>	<u>468,611</u>
NET POSITION			
Net investment in capital assets	7,715,190	-	7,715,190
Unrestricted	7,088,225	-	7,088,225
Total net position	<u>\$ 14,803,415</u>	<u>\$ -</u>	<u>\$ 14,803,415</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 7,481,227	\$ -	\$ 7,481,227
Miscellaneous operating revenues	7,067	-	7,067
Total operating revenues	<u>7,488,294</u>	<u>-</u>	<u>7,488,294</u>
OPERATING EXPENSES			
Salaries and fringe benefits	1,303,561	-	1,303,561
Supplies	86,576	-	86,576
Electricity and natural gas	158,909	-	158,909
Petroleum, oil and lubricants	509,778	-	509,778
Machinery, equipment repairs and maintenance	1,409,655	-	1,409,655
Professional services	763,920	-	763,920
Miscellaneous	259,765	934,000	1,193,765
Depreciation and depletion	1,248,592	-	1,248,592
Total operating expenses	<u>5,740,756</u>	<u>934,000</u>	<u>6,674,756</u>
Operating income (loss)	<u>1,747,538</u>	<u>(934,000)</u>	<u>813,538</u>
NON-OPERATING INCOME (EXPENSE)			
Interest expense	(213,466)	-	(213,466)
Gain on disposal of capital assets	31,416	-	31,416
Total non-operating expense, net	<u>(182,050)</u>	<u>-</u>	<u>(182,050)</u>
Income before transfers	<u>1,565,488</u>	<u>(934,000)</u>	<u>631,488</u>
TRANSFERS			
Transfers in	-	934,000	934,000
Transfers out	(1,000,000)	-	(1,000,000)
Total transfers	<u>(1,000,000)</u>	<u>934,000</u>	<u>(66,000)</u>
Change in net position	565,488	-	565,488
Net position, beginning of year	<u>14,237,927</u>	<u>-</u>	<u>14,237,927</u>
Net position, end of year	<u>\$ 14,803,415</u>	<u>\$ -</u>	<u>\$ 14,803,415</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 7,429,408	\$ -	\$ 7,429,408
Payments to suppliers	(3,213,568)	(722,191)	(3,935,759)
Payments to employees	(1,289,853)	-	(1,289,853)
Net cash provided by (used in) operating activities	<u>2,925,987</u>	<u>(722,191)</u>	<u>2,203,796</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(1,000,000)	-	(1,000,000)
Transfers in	-	934,000	934,000
Net cash provided by (used in) noncapital financing activities	<u>(1,000,000)</u>	<u>934,000</u>	<u>(66,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(986,876)	-	(986,876)
Proceeds from the sale of capital assets	34,585	-	34,585
Principal paid on financed purchases	(488,016)	-	(488,016)
Write-off of notes receivable	-	934,000	934,000
Proceeds from notes receivable	-	250,000	250,000
Interest paid	(215,146)	-	(215,146)
Net cash provided by (used in) capital and related financing activities	<u>(1,655,453)</u>	<u>1,184,000</u>	<u>(471,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	4,937	-	4,937
Net cash provided by investing activities	<u>4,937</u>	<u>-</u>	<u>4,937</u>
Net change in cash and cash equivalents	275,471	1,395,809	1,671,280
Cash and cash equivalents:			
Beginning of year	<u>8,542,726</u>	<u>336,986</u>	<u>8,879,712</u>
End of year	<u>\$ 8,818,197</u>	<u>\$ 1,732,795</u>	<u>\$ 10,550,992</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,747,538	\$ (934,000)	\$ 813,538
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and depletion	1,248,592	-	1,248,592
Changes in assets and liabilities:			
Increase in accounts receivable	(58,886)	(5,850)	(64,736)
Decrease in inventories	122,125	-	122,125
Decrease in deferred outflows of resources	201,073	-	201,073
Increase in accounts payable	38,508	217,659	256,167
Increase in accrued liabilities	10,238	-	10,238
Decrease in total other postemployment benefits liability	(100,012)	-	(100,012)
Increase in compensated absences	3,470	-	3,470
Decrease in net pension liability	(281,899)	-	(281,899)
Decrease in deferred inflows of resources	(4,760)	-	(4,760)
Net cash provided by (used in) operating activities	<u>\$ 2,925,987</u>	<u>\$ (722,191)</u>	<u>\$ 2,203,796</u>

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2022

	Custodial Funds
	<hr/>
ASSETS	
Cash	\$ 26,052,274
Taxes receivable	<hr/> 2,254,334
Total assets	<hr/> 28,306,608
LIABILITIES	
Due to others	25,356,744
Uncollected taxes	<hr/> 2,254,334
Total liabilities	<hr/> 27,611,078
NET POSITION	
Restricted for individuals, organizations, and other governments	<hr/> 695,530
Total net position	<hr/> \$ 695,530

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Custodial Funds
ADDITIONS	
Investment earnings:	
Interest	\$ 21
Net investment earnings	21
Other:	
Taxes	157,777,474
Fine and fees	2,243,086
Criminal and civil bonds	1,985,833
Total additions	162,006,414
DEDUCTIONS	
Taxes and fees paid to other governments	158,264,942
Funds disbursed per court order	2,423,971
Other custodial funds disbursed	837,657
Total deductions	161,526,570
Change in net position	479,844
Net position, beginning of year	215,686
Net position, end of year	\$ 695,530

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

NOTES TO THE FINANCIAL STATEMENTS

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

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

Reporting Entity

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

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

The County has no blended component units.

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities and fund financial statements, which provide a more detailed level of financial information.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The County reports the following governmental fund types:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major Special Revenue Funds

The **Miscellaneous Special Revenue Fund** accounts for monies collected from various sources. Such monies are restricted for their specific purpose.

The **Coronavirus S&L Fiscal Recovery Fund** accounts for monies collected from the U.S. Department of Treasury for COVID-19 relief.

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

The County reports the following major Capital Projects Funds:

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

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

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

The County reports the following major enterprise funds:

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The County's fiduciary fund category includes custodial funds for education, clerk of court, family court, property taxes, magistrates and others.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

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

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

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

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

Custodial funds are also accounted for on a flow of economic resources measurement focus.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current 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 60 days of fiscal year-end.

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

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

Unearned Revenue

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Expenses/Expenditures

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The assigned fund balance for subsequent year's budget totaled \$7,598,786 for the year ended June 30, 2022.

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Receivables

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

Intergovernmental Receivable

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

Inventories and Prepaid Assets

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

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

Capital Assets

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

Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Infrastructure	25 - 45
Buildings and improvements	15 - 40
Right-to-use lease buildings	15 - 40
Equipment and vehicles	2 - 25
Right-to-use lease equipment and vehicles	2 - 25

Leases

Lessee

The County is a lessee for noncancellable leases of land, buildings, equipment, and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Leases (Continued)

Lessee (Continued)

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Lessor

The County is a lessor for noncancellable leases of buildings and airport hangars. The County recognizes a lease receivable and deferred inflow of lease receipts in the Governmental and Proprietary Funds Balance Sheet and the government-wide financial statements. The County recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the stated interest rate as the discount rate. When the interest rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the lessee is reasonably certain to exercise.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Leases (Continued)

Lessor (Continued)

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred inflows of lease receipts are reported with deferred inflows of resources and lease receivables are reported with assets on the Statement of Net Position and the Governmental Funds Balance Sheet.

Compensated Absences

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

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has five (5) items that qualify for reporting in this category. These five (5) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension liability and total OPEB liability and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. (3) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources (Continued)

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

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has nine (9) types of items that qualify for reporting in this category, four of which arise only under a modified accrual basis of accounting. Accordingly, the items, *unavailable revenue*, are reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from (1) property taxes, (2) seized property, (3) intergovernmental grant revenues, and (4) forfeited land commission and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The fifth (5) item is deferred inflows from lease receipts and they are reported in the Government Funds Balance Sheet as well as the government-wide Statement of Net Position. The other items relate to the County's pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. (6) Certain experience losses (discussed on the previous page) are deferred and amortized against expense over a five-year period, resulting in recognition as deferred inflows of resources. (7) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (8) Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions (discussed in the previous paragraph) are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows. (9) Finally, changes in actuarial assumptions (discussed in the previous paragraph) adjust the total OPEB liability and are amortized against OPEB expense over the expected remaining service lives of plan members.

Interfund Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Interfund Transactions (Continued)

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

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

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

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

Long-term Obligations

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

Fund Equity

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

County Council has established a policy to maintain a General Fund unassigned fund balance between 25% and 30% of regular budgeted General Fund expenditures for the subsequent year. At June 30, 2022, the County did not attain the minimum fund balance due to the fiscal years 2012 through 2018 shortfall attributable to the long-term advances to the FOCUS fund and amounts assigned for the subsequent year's budget.

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

Net Position

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

Restricted Resources

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

Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations as follows:

Fund	Excess
General Fund	
Non-departmental expenditures	\$ 3,137,356
Registration and elections	34,176
Administrator's office	22,703
County airport	293,112
Clerk of Court	32,801
Magistrate Office	370,909
Debt service	147,754
Miscellaneous Special Revenue Fund	
General government	71,092
Public safety	1,422,714
Public works	18,235
Transportation	105,117
Health and welfare	300,874
Culture and recreation	37,340
911 Communications Fund	
Public safety	261,181
Economic Development Fund	
Culture and recreation	44,083
Capital outlay	18,617
Bridges and Culverts Capital Projects Fund	
Capital outlay	677,582
Sheriff's Victims Assistance	
Public safety	3,051
Solicitor's Victims Assistance	
Public safety	898

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2022, are summarized below:

As reported in the *Statement of Net Position* :

Primary government	
Cash and cash equivalents	\$ 52,721,383
Investments	17,737,021
Custodial Fund - cash and cash equivalents	26,052,274
	<u>\$ 96,510,678</u>
 Cash deposited with financial institutions	 \$ 46,796,051
SC Local Government Investment Pool	31,977,606
Certificates of deposit	9,774,327
U.S. Agency securities	7,962,694
	<u>\$ 96,510,678</u>

Custodial credit risk – Cash. This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2022, the carrying amount of the County's deposits was \$46,796,050 and the bank balance was \$47,404,514. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$9,960 are reflected as cash.

As of June 30, 2022, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
SC Local Government Investment Pool	\$ 31,977,606	\$ 31,977,606	\$ -	\$ -
Certificates of deposit	9,774,327	1,964,105	6,099,130	1,711,092
U.S. Agency securities	7,962,694	-	7,485,166	477,528
	<u>\$ 49,714,627</u>	<u>\$ 33,941,711</u>	<u>\$ 13,584,296</u>	<u>\$ 2,188,620</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2022.

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
U.S. Agency securities	\$ 1,196,613	\$ 6,766,081	\$ -	\$ 7,962,694
Total investments by fair value level	<u>\$ 1,196,613</u>	<u>\$ 6,766,081</u>	<u>\$ -</u>	<u>\$ 7,962,694</u>

The investment in U.S. Agencies classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investment in U.S. Agencies classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no investments classified in Level 3 of the fair value hierarchy.

The investments in CDs are reported at amortized cost which approximates fair value. The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy.

Credit risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Farm Credit Banks (FFCB), were rated AA+ by Standard & Poor's and AAA by Moody's Investor Services. As of June 30, 2022, the County owned \$7,962,684 of government sponsored entity (GSE) debt securities. The investments are either directly or indirectly guaranteed by the U.S. Treasury. The County is invested in certificates of deposit with varying maturity dates and the LGIP. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

NOTE 4. RECEIVABLES AND PROPERTY TAXES

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

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

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 days) to pay liabilities of the current period. The County bills and collects its own property taxes and collects taxes for the Keowee Key Fire District and the Oconee County School District. Collections of the County taxes and remittance of them to the Districts are accounted for in the custodial funds. Also, the County collects taxes for surrounding municipalities. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables related to governmental activities as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General	Miscellaneous Special Revenue	Capital Projects	Nonmajor Governmental	Total
Taxes receivable	\$ 903,298	\$ -	\$ -	\$ 212,592	\$ 1,115,890
Accounts receivable	516,728	-	-	145,814	662,542
Due from other governments	994,436	1,516,917	935,780	225,806	3,672,939
Lease receivable	43,010	-	-	-	43,010
Less: Allowance	(107,599)	-	-	(5,540)	(113,139)
Net receivables	<u>\$ 2,349,873</u>	<u>\$ 1,516,917</u>	<u>\$ 935,780</u>	<u>\$ 578,672</u>	<u>\$ 5,381,242</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES (CONTINUED)

Receivables related to business-type activities as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	Rock Quarry	FOCUS	Total
Accounts receivable	\$ 158,018	\$ 58,802	\$ 216,820
Less: Allowance	(37,134)	-	(37,134)
Net receivables	<u>\$ 120,884</u>	<u>\$ 58,802</u>	<u>\$ 179,686</u>

NOTE 5. LEASE RECEIVABLE

During 2017, the County entered into a lease agreement as lessor to lease the assets of the FOCUS Fund, including infrastructure and equipment. This agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the date of inception. Further, this lease qualifies as a sales-type capital lease. Annual installments are to be made through the County's fiscal year ended 2036. The agreement does not include a provision for interest. The agreement resulted in no unguaranteed residual value accruing to the County. Additionally, there is no related liability to the County as a result of the agreement and no contingent rentals for the year ended June 30, 2022. During the year ended, June 30, 2022, the lessee sold the lease to another party.

The following is a schedule of the future minimum payments under the agreement, and the present value of the net minimum payments at June 30, 2022.

Year Ending June 30,	Total Minimum Lease Payments
2023	\$ 500,000
2024	250,000
2025	250,000
2026	10,000
2027	10,000
2028 - 2033	50,000
2034 - 2036	3,530,001
	<u>\$ 4,600,001</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Governmental activities					
Capital assets not being depreciated					
Land	\$ 5,526,094	\$ 935,071	\$ -	\$ -	\$ 6,461,165
Other costs	37,311,827	-	-	1,211,279	38,523,106
Construction in progress	8,904,506	5,158,218	(821,413)	(5,510,137)	7,731,174
Total capital assets not being depreciated	<u>51,742,427</u>	<u>6,093,289</u>	<u>(821,413)</u>	<u>(4,298,858)</u>	<u>52,715,445</u>
Capital assets being depreciated					
Buildings and improvements	75,604,441	16,015	-	213,138	75,833,594
Equipment and vehicles	52,730,773	2,154,303	(1,085,911)	(145,261)	53,653,904
Infrastructure	86,544,740	136,229	(733,626)	4,085,720	90,033,063
Other	93,595	-	-	-	93,595
Total capital assets being depreciated	<u>214,973,549</u>	<u>2,306,547</u>	<u>(1,819,537)</u>	<u>4,153,597</u>	<u>219,614,156</u>
Less accumulated depreciation					
Buildings and improvements	(31,307,054)	(1,812,647)	-	-	(33,119,701)
Equipment and vehicles	(42,698,589)	(2,247,185)	1,071,209	145,261	(43,729,304)
Infrastructure	(65,320,374)	(2,146,087)	692,911	-	(66,773,550)
Other	(63,974)	(2,469)	-	-	(66,443)
Total accumulated depreciation	<u>(139,389,991)</u>	<u>(6,208,388)</u>	<u>1,764,120</u>	<u>145,261</u>	<u>(143,688,998)</u>
Total capital assets being depreciated, net	<u>75,583,558</u>	<u>(3,901,841)</u>	<u>(55,417)</u>	<u>4,298,858</u>	<u>75,925,158</u>
Governmental activities capital assets, net	<u>\$ 127,325,985</u>	<u>\$ 2,191,448</u>	<u>\$ (876,830)</u>	<u>\$ -</u>	<u>\$ 128,640,603</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General Government	\$ 154,194
Public Safety	1,881,176
Transportation	2,479,353
Public Works	334,824
Culture and Recreation	379,669
Judicial Services	318,087
Health and Welfare	122,500
Economic Development	538,585
Total Governmental Activities Depreciation Expense	<u>\$ 6,208,388</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Business-type activities					
Capital assets not being depreciated					
Land	\$ 3,081,978	\$ 401,060	\$ -	\$ -	\$ 3,483,038
Total capital assets not being depreciated	3,081,978	401,060	-	-	3,483,038
Capital assets being depreciated					
Buildings and improvements	544,786	-	-	-	544,786
Equipment and vehicles	15,573,836	585,816	(1,553,847)	145,261	14,751,066
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	16,648,556	585,816	(1,553,847)	145,261	15,825,786
Less accumulated depreciation					
Buildings and improvements	(476,586)	(26,275)	-	-	(502,861)
Equipment and vehicles	(6,280,597)	(1,215,435)	1,550,678	(145,261)	(6,090,615)
Mineral interests	(289,130)	(6,882)	-	-	(296,012)
Total accumulated depreciation	(7,046,313)	(1,248,592)	1,550,678	(145,261)	(6,889,488)
Total capital assets being depreciated, net	9,602,243	(662,776)	(3,169)	-	8,936,298
Business-type activities capital assets, net	<u>\$ 12,684,221</u>	<u>\$ (261,716)</u>	<u>\$ (3,169)</u>	<u>\$ -</u>	<u>\$ 12,419,336</u>

Depreciation expense of \$1,248,592 was charged solely to the Rock Quarry Fund as the FOCUS Fund does not hold any capital assets.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LEASES

A summary of lease asset activity for the County for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Remeasurements	Amortization	Ending Balance
Governmental activities:					
Lease assets					
Buildings	\$ 141,843	\$ -	\$ -	\$ (34,382)	\$ 107,461
Equipment	7,873	-	-	(3,936)	3,937
Vehicles	62,392	294,654	-	(111,128)	245,918
Total lease assets, net	<u>\$ 212,108</u>	<u>\$ 294,654</u>	<u>\$ -</u>	<u>\$ (149,446)</u>	<u>\$ 357,316</u>

NOTE 8. LONG-TERM LIABILITIES

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
Governmental activities					
General obligation bonds	\$ 11,594,676	\$ -	\$ (1,334,151)	\$ 10,260,525	\$ 1,352,078
General obligation bond premiums	10,133	-	(2,375)	7,758	-
Total general obligation bonds	11,604,809	-	(1,336,526)	10,268,283	1,352,078
Financed purchases	5,259,473	1,359,734	(650,222)	5,968,985	935,455
Special source refunding					
revenue bonds	1,198,000	-	(289,000)	909,000	294,000
Lease liability	218,703	294,654	(147,754)	365,603	170,126
Post-closure care costs	2,406,409	704,995	(327,117)	2,784,287	139,214
Annual leave	1,631,138	451,324	(499,929)	1,582,533	520,740
Net pension liability	48,070,695	6,367,777	(15,068,478)	39,369,994	-
Total other postemployment benefit liability	11,062,377	1,600,399	(215,882)	12,446,894	-
	<u>\$ 81,451,604</u>	<u>\$ 10,778,883</u>	<u>\$ (18,534,908)</u>	<u>\$ 73,695,579</u>	<u>\$ 3,411,613</u>
Business-type activities					
Annual leave	\$ 49,334	\$ 21,192	\$ (17,722)	\$ 52,804	\$ 25,423
Financed purchases	5,192,162	-	(488,016)	4,704,146	508,171
Net pension liability	1,943,035	226,430	(508,329)	1,661,136	-
Total other postemployment benefit liability	622,259	67,150	(167,162)	522,247	-
	<u>\$ 7,806,790</u>	<u>\$ 314,772</u>	<u>\$ (1,181,229)</u>	<u>\$ 6,940,333</u>	<u>\$ 533,594</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds: During the year ended June 30, 2019, the County issued series 2019 general obligation bonds in the amount of \$511,500. The bond proceeds were used to: (1) defray the costs of acquisition of a rescue pumper fire truck for the Keowee Fire Tax District and (2) pay the costs of issuance of the 2019 bonds. General obligation bonds outstanding at June 30, 2022, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2019 General Obligation Bonds	2.51%	10 years	2029	<u>\$ 511,500</u>	<u>\$ 370,525</u>

During the year ended June 30, 2013, the County issued taxable series 2013 general obligation bonds in the amount of \$2,600,000. The bond proceeds were used to: (1) defray all or a portion of the costs of design, acquisition, construction, and installation, as applicable, of improvements and infrastructure serving the Echo Hills Commerce Park and (2) pay the costs to issue the 2013 series general obligation bonds. General obligation bonds outstanding at June 30, 2022, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2013 General Obligation Bonds	3 - 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	<u>\$ 1,190,000</u>
		Plus unamortized premium			<u>7,758</u>
					<u>\$ 1,197,758</u>

During the year ended June 30, 2017, the County issued series 2016B general obligation bonds in the amount of \$3,300,000. The bond proceeds were used to defray the costs of land preparation (including grading), infrastructure costs (including roads, curbs, drainage and storm water facilities, intersection improvements, and internal utilities), civil design, and site work relating to the Oconee County Workforce Development Center. General obligation bonds outstanding at June 30, 2022, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2016B General Obligation Bonds	1.7%	10 years	2026	<u>\$ 3,300,000</u>	<u>\$ 1,530,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

During the year ended June 30, 2020, the County issued series 2020 general obligation-refunding bonds in the amount of \$8,000,000. The bond proceeds were used to: (1) refund outstanding principal of the series 2011 general obligation bonds, (2) acquiring, constructing, equipping, or rehabilitating various capital projects including a fire engine and related equipment, and (3) pay the costs of issuance of the 2020 bonds. The refunding transaction resulted in a decrease in total debt service payments over the next 10 years by approximately \$790,000 and resulted in an economic gain of approximately \$773,000. General obligation refunding bonds outstanding at June 30, 2022, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2020 General Obligation Refunding Bonds	1.49%	11 years	2031	<u>\$ 8,000,000</u>	<u>\$ 7,170,000</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2022, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,352,078	\$ 182,723	\$ 1,534,801
2024	1,379,310	158,215	1,537,525
2025	1,402,573	133,106	1,535,679
2026	1,429,867	107,536	1,537,403
2027	1,059,194	80,649	1,139,843
2028-2031	3,637,503	136,259	3,773,762
	<u>\$ 10,260,525</u>	<u>\$ 798,488</u>	<u>\$ 11,059,013</u>

Debt service funds of \$2,037,867 are available to service the general obligation bonds.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Financed Purchases

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

Governmental Activities

The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

Fiscal Year Ending June 30,	Governmental Funds
2023	\$ 1,031,266
2024	1,035,419
2025	992,512
2026	530,916
2027	536,172
Thereafter	2,386,038
Total Minimum Payments	6,512,323
Less: Amount Representing Interest	(543,338)
	<u>\$ 5,968,985</u>

Business-type Activities

The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

Fiscal Year Ending June 30,	Business-type Activities
2023	\$ 702,452
2024	702,452
2025	702,452
2026	702,452
2027	702,452
2028-2030	2,107,356
Total Minimum Payments	5,619,616
Less: Amount Representing Interest	(915,470)
	<u>\$ 4,704,146</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Leases

The County has entered into multiple noncancellable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.1442% to 1.1875%. As of June 30, 2022, the County has \$365,603 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2022, including interest payments are as follows:

Year Ending June 30,	Leases		
	Principal	Interest	Total
2023	\$ 170,126	\$ 6,521	\$ 176,647
2024	61,219	4,481	65,700
2025	58,457	2,743	61,200
2026	46,352	1,348	47,700
2027	29,449	295	29,744
	<u>\$ 365,603</u>	<u>\$ 15,388</u>	<u>\$ 380,991</u>

Special Source Refunding Revenue Bonds

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

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

Year Ending June 30,	Special Source Refunding Revenue Bonds		
	Principal	Interest	Total
2023	\$ 294,000	\$ 25,907	\$ 319,907
2024	303,000	17,528	320,528
2025	312,000	8,892	320,892
	<u>\$ 909,000</u>	<u>\$ 52,327</u>	<u>\$ 961,327</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and state laws require the County to place a final cover on their landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The County has recorded a liability in the government-wide statement of net position for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2022, calculated as follows:

	MSW	C&D I	C&D II	Total
Total estimated current closure and post-closure care cost	\$ 1,475,768	\$ 1,356,740	\$ 2,966,700	
Percentage of landfill capacity used to date	100%	91%	2%	
Reported liability for closure and post-closure care cost	<u>\$ 1,475,768</u>	<u>\$ 1,235,777</u>	<u>\$ 72,742</u>	<u>\$ 2,784,287</u>
Total estimated current closure and post-closure care cost remaining to be recognized	<u>\$ -</u>	<u>\$ 120,963</u>	<u>\$ 2,893,958</u>	
Landfill's approximate remaining life in years	<u>-</u>	<u>2.3</u>	<u>80</u>	

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

The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2022. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the South Carolina Retirement System's Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Description:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Plan Description (Continued):

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership:

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

South Carolina Retirement System

Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

South Carolina Police Officers Retirement System.

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

Benefits:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Benefits (Continued):

South Carolina Retirement System (Continued).

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

South Carolina Police Officers Retirement System.

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was schedule to go into effect beginning July 1, 2020. If the schedule contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2022, the County contributed \$2,265,129 to the SCRS plan and \$1,876,227 to the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2022, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Required employer contribution rates for the year ended June 30, 2022, are as follows:

South Carolina Retirement System

Employee Class Two	16.41% of earnable compensation
Employee Class Three	16.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	18.84% of earnable compensation
Employee Class Three	18.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Net Pension Liability:

The June 30, 2021 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2022 (measurement date of June 30, 2021), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 63,731,554	\$ 38,714,446	\$ 25,017,108	60.7%	0.115599%
PORS	\$ 54,053,561	\$ 38,039,539	\$ 16,014,022	70.4%	0.622408%

Actuarial Assumptions and Methods:

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods to calculate the TPL as of June 30, 2021.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private equity	9.0%	9.68%	0.87%
Private debt	7.0%	5.47%	0.39%
Real assets	12.0%		
Real estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
	100.0%		
		Total expected real return	5.18%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.43%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liabilities to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's portion - SCRS	\$ 32,769,297	\$ 25,017,108	\$ 18,573,436
County's portion - PORS	\$ 23,234,297	\$ 16,014,022	\$ 10,099,511

Pension Expense:

For the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$1,826,782 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$366,378) for a total of \$1,460,404 for the SCRS plan. Additionally, for the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$1,751,937 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$392,812 for a total of \$2,144,749 for the PORS plan. Total pension expense for both plans amounted to \$3,605,153 for the year ended June 30, 2022.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

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

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 426,138	\$ 33,764
Changes of assumptions	1,369,354	-
Net difference between projected and actual earnings on pension plan investments	-	3,634,064
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	2,954,201	3,193,411
Employer contributions subsequent to the measurement date	<u>2,265,129</u>	<u>-</u>
Total	<u><u>\$ 7,014,822</u></u>	<u><u>\$ 6,861,239</u></u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 544,783	\$ 49,873
Changes of assumptions	1,142,196	-
Net difference between projected and actual earnings on pension plan investments	-	3,590,272
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	2,024,477	1,752,963
Employer contributions subsequent to the measurement date	<u>1,876,227</u>	<u>-</u>
Total	<u><u>\$ 5,587,683</u></u>	<u><u>\$ 5,393,108</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

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

County contributions subsequent to the measurement date of \$2,265,129 and \$1,876,227 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2023	\$ 1,030,099	\$ 532,916
2024	(1,487,311)	(519,951)
2025	(294,515)	(426,171)
2026	(1,359,819)	(1,268,446)

Pension Plan Fiduciary Net Position:

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

Deferred Compensation Plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

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

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

Normal (unreduced) Retirement Requirements

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

Early (reduced) Retirement Requirements

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the General Fund and the Rock Quarry Fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation.

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

Plan Membership. The Plan has 169 covered members for the year ended June 30, 2022; 96 members are retirees receiving benefits and 73 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2022, the County paid \$622,547 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the County Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability. The County's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	1.92% as of June 30, 2021
Healthcare cost trend rate:	7.00% - 4.25%, Ultimate Trend after 13 years
Inflation rate:	2.50%
Salary increase:	3.50% - 10.50% for PORS eligible employees and 3.00% - 9.50% for SCRS eligible employees per annum
Participation rate:	85.00% of all eligible employees

For healthy retirees, the 2020 Public Retirees of South Carolina Mortality Table for Males and the 2020 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2020. The following multipliers are applied to the base tables: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORS members, and 107% for female PORS members.

Discount Rate. The discount rate used to measure the total OPEB liability was 1.92% as of June 30, 2021. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 1.92% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the years ended June 30, 2022, were as follows:

	Total OPEB Liability
Balances beginning of year	\$ 11,684,636
Changes for the year:	
Service cost	165,299
Interest	283,606
Difference between actual and expected experience	321,143
Assumption changes	897,501
Benefit payments and implicit subsidy	(383,044)
Net changes	<u>1,284,505</u>
Balances end of year	<u><u>\$ 12,969,141</u></u>

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County as of June 30, 2022 (June 30, 2021 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Oconee County Health Care Plan		
Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
\$ 14,216,886	\$ 12,969,141	\$ 11,885,183

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County as of June 30, 2022 (June 30, 2021 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>Oconee County Health Care Plan</u>		
<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>		
1% Decrease (6.00% decreasing to 3.25%)	Current Healthcare Cost Trend Rates (7.00% decreasing to 4.25%)	1% Increase (8.00% decreasing to 5.25%)
\$ 11,791,374	\$ 12,969,141	\$ 14,337,996

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2022, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2022, the County recognized OPEB expense as follows:

<u>Description</u>	
Service cost	\$ 165,299
Interest on the total OPEB liability	283,606
Recognition of outflow (inflow) of resources due to liabilities	409,285
Amortization of prior year outflow (inflow) of resources due to liabilities	(138,647)
Total OPEB expense	<u>\$ 719,543</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued). At June 30, 2022, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,286	\$ 305,817
Changes of assumptions	1,031,637	17,650
Employer contributions subsequent to the measurement date	622,547	-
Total	<u>\$ 1,867,470</u>	<u>\$ 323,467</u>

County contributions subsequent to the measurement date of \$622,547 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Oconee County Health Care Plan

Year ended June 30:

2023	\$ 415,987
2024	505,469

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. 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 \$85,000 per person per contract year through April 30, 2023. The estimated maximum annual cost to the County is \$6,630,112. At June 30, 2022, claims due and payable totaled approximately \$852,597 and are recorded as a liability in the respective funds with employees receiving this benefit. The following amounts were recorded as liabilities of the respective funds as of June 30, 2022: General Fund - \$822,667; and Proprietary Fund - Rock Quarry \$29,930.

Effective January 1, 2013, the County revised the retiree health benefits for individuals who are qualified for Medicare. As a result, retirees eligible for health care began receiving a defined contribution towards the purchase of a Medicare Supplement Plan through Hartford Life. This resulted in 71 retirees no longer participating in the County's self-insured health insurance plan. As outlined in the plan document, all employees hired before July 1, 2010, are eligible for plan benefits given they meet the 20 years of continuous service requirement and ultimately retire from the County. As of June 30, 2022, approximately 192 employees were hired prior to July 1, 2010, and could ultimately benefit from the health insurance plan.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. SELF-INSURED HEALTH INSURANCE (CONTINUED)

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

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2022	\$ 784,510	\$ 7,335,846	\$ 7,267,759	\$ 852,597
2021	255,917	5,461,589	4,932,996	784,510
2020	593,663	4,540,858	4,878,604	255,917
2019	547,644	4,787,456	4,741,437	593,663
2018	439,202	6,717,547	6,609,105	547,644

NOTE 13. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund receivables and payables at June 30, 2022, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 174,144
General Fund	Miscellaneous Special Revenue	467,957
		<u>\$ 642,101</u>

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

The balances of the interfund advances to/from at June 30, 2022, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FOCUS Fund	<u>\$ 6,173,939</u>

Advances are used for long-term interfund loans. The General Fund had one outstanding advance at June 30, 2022. The advance to the FOCUS Fund was to finance construction and operations. This is expected to be repaid in the coming years in accordance with scheduled payments from proceeds receivable from a capital lease.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Total transfers during the year ended June 30, 2022, consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Rock Quarry Fund	\$ 1,000,000
General Fund	Miscellaneous Special Revenue Fund	44,144
General Fund	Nonmajor Governmental Funds	50,456
Miscellaneous Special Revenue Fund	General Fund	37,275
Nonmajor Governmental Funds	General Fund	247,000
Capital Projects Fund	General Fund	500,490
FOCUS Fund	General Fund	934,000
Nonmajor Governmental Funds	Miscellaneous Special Revenue Fund	3,986
Miscellaneous Special Revenue Fund	Nonmajor Governmental Funds	38,664
Capital Projects Fund	Nonmajor Governmental Funds	3,069
		<u>\$ 2,859,084</u>

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

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Fiscal Accountability Authority Office - Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. OTHER COMMITMENTS

Construction commitments at June 30, 2022, totaled approximately \$9,716,337.

NOTE 16. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2022, the company paid property taxes in the amount of \$37.5 million based on assessed property values of \$125.6 million. This represents approximately 29.84% of the 2021 levy. Approximately \$22.6 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

NOTE 17. 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, 2022, 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 18. LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. TAX ABATEMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. TAX ABATEMENTS (CONTINUED)

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

For the year ended June 30, 2022, the County abated taxes totaling \$12,020,898 under the programs previously noted, including the following individual tax abatement agreement that exceeded 10% of the total amount abated under the programs:

- An approximate 11% property tax abatement to a manufacturing company for development of a multi county industrial park for which the abated amount was \$1,277,928.
- An approximate 12% property tax abatement to a manufacturing company for development of a multi county industrial park for which the abated amount was \$1,324,350.
- An approximate 14% property tax abatement to a commercial company for development of a multi county industrial park for which the abated amount was \$1,544,518.
- An approximate 11% property tax abatement to a commercial company for development of a multi county industrial park for which the abated amount was \$1,191,670.

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

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.115599%	\$ 25,017,108	\$ 13,142,412	190.4%	60.7%
2020	0.142755%	29,439,921	12,848,222	229.1%	50.7%
2019	0.142755%	32,596,817	12,439,001	262.1%	54.4%
2018	0.089383%	20,027,995	12,062,316	166.0%	54.1%
2017	0.122304%	27,532,598	12,331,937	223.3%	53.3%
2016	0.125177%	26,737,622	11,666,400	229.2%	52.9%
2015	0.125554%	23,811,921	11,703,378	203.5%	57.0%
2014	0.130397%	22,450,040	9,694,783	231.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.62241%	\$ 16,014,022	\$ 9,308,065	172.0%	70.4%
2020	0.73063%	20,573,809	9,357,119	219.9%	58.8%
2019	0.73063%	20,939,502	8,856,894	236.4%	62.7%
2018	0.45583%	12,916,240	8,134,393	158.8%	61.7%
2017	0.56945%	15,600,511	7,676,731	203.2%	50.9%
2016	0.54232%	13,755,759	6,334,764	217.1%	60.4%
2015	0.51203%	11,159,654	6,207,981	179.8%	64.6%
2014	0.51281%	9,817,433	5,298,295	185.3%	67.5%

Notes to the schedule:

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

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 2,265,129	\$ 2,265,129	\$ -	\$ 13,678,318	16.56%
2021	2,044,959	2,044,959	-	13,142,412	15.56%
2020	1,999,183	1,999,183	-	12,848,222	15.56%
2019	1,792,460	1,792,460	-	12,439,001	14.41%
2018	1,617,557	1,617,557	-	12,062,316	13.41%
2017	1,425,571	1,425,571	-	12,331,937	11.56%
2016	1,322,885	1,322,885	-	11,666,400	11.34%
2015	1,280,951	1,280,951	-	11,703,378	10.95%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 1,876,227	\$ 1,876,227	\$ -	\$ 9,751,701	19.24%
2021	1,697,791	1,697,791	-	9,308,065	18.24%
2020	1,706,739	1,706,739	-	9,357,119	18.24%
2019	1,491,501	1,491,501	-	8,856,894	16.84%
2018	1,256,691	1,256,691	-	8,134,393	15.45%
2017	1,093,181	1,093,181	-	7,676,831	14.24%
2016	921,831	921,831	-	6,334,764	14.55%
2015	850,224	850,224	-	6,207,981	13.70%

OCONEE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF COUNTY PENSION CONTRIBUTIONS

Notes to the schedule:

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

Actuarial assumptions used in determining the statutorily required contribution are as follows.

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	28 years maximum, closed	28 years maximum, closed
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 125% and female rates are multiplied by 111%.

OCONEE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE FISCAL YEARS ENDED JUNE 30,

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 165,299	\$ 235,203	\$ 209,941	\$ 215,068	\$ 248,022
Interest on the total OPEB liability	283,606	344,181	407,055	396,354	341,632
Difference between actual and expected experience	321,143	(26,623)	(1,302,809)	(32,716)	-
Assumption changes	897,501	509,656	869,259	(58,917)	(672,181)
Benefit payments	(383,044)	(512,750)	(376,250)	(436,023)	(498,359)
Net change in total OPEB liability	1,284,505	549,667	(192,804)	83,766	(580,886)
Total OPEB liability - beginning	11,684,636	11,134,969	11,327,773	11,244,007	11,824,893
Total OPEB liability - ending	<u>\$ 12,969,141</u>	<u>\$ 11,684,636</u>	<u>\$ 11,134,969</u>	<u>\$ 11,327,773</u>	<u>\$ 11,244,007</u>
 Covered-employee payroll	 \$ 3,404,562	 \$ 6,079,730	 \$ 6,079,730	 \$ 6,579,189	 \$ 6,579,189
 Total OPEB liability as a percentage of covered-employee payroll	 380.93%	 192.19%	 183.15%	 172.18%	 170.90%

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

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

The discount rate changed from 3.56% as of June 30, 2018, to 3.62% as of June 30, 2019.

The discount rate changed from 3.62% as of June 30, 2019, to 3.13% as of June 30, 2020.

The discount rate changed from 3.13% as of June 30, 2020, to 2.45% as of June 30, 2021.

The discount rate changed from 2.45% as of June 30, 2021, to 1.92% as of June 30, 2022.

The assumptions used in the preparation of the above schedule are disclosed in Note 11 to the financial statements.

COMBINING STATEMENTS AND SCHEDULES

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Emergency Services Protection District Fund** accounts for tax monies collected for the County special tax district for emergency services protection. Such monies are restricted for public safety expenditures.

The **Road Maintenance Fund** accounts for the tax levied to provide funding for maintenance of County roads.

The **911 Communications Fund** accounts for 911 communication fees that are received from the State of South Carolina, various wireless carriers, and AT&T. Such monies are restricted for improvements and expansion of the County's emergency 911 system.

The **State Accommodations Tax Fund** accounts for accommodation tax monies received from the State. The first \$25,000 and 5% is transferred to the General Fund. The remainder is restricted for culture and recreation.

The **Local Accommodations Tax Fund** accounts for the 3% local accommodation tax monies collected on behalf of the County. These monies are restricted for culture and recreation.

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

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

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

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

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

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

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

The **Parks, Recreation and Tourism Fund** is used to account for the acquisition and construction of facilities or infrastructure for the promotion of culture and recreation within the County.

The **Economic Development Fund** is used to account for the acquisition and construction of facilities or infrastructure for the promotion of economic development within the County.

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

The **Capital Vehicle and Equipment Fund** accounts for the taxes levied specifically to fund the acquisition and repairs of capital vehicles and equipment. These monies are restricted for capital projects.

OCONEE COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds							
	Emergency Services Protection District	Road Maintenance	911 Communications	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility
ASSETS								
Cash and cash equivalents	\$ 1,222,767	\$ 5,379,394	\$ 465,349	\$ 327,910	\$ 755,613	\$ 74,655	\$ 30,197	\$ 188,185
Investments	-	-	450,000	-	-	-	-	-
Taxes receivable, net	33,687	28,383	-	-	-	-	-	-
Accounts receivable, net	-	-	11,456	-	115,725	-	-	-
Due from other governments	3,281	2,376	42,005	147,407	-	1,717	-	-
Due from component unit	-	-	-	-	-	-	-	-
Assets held for economic development	-	-	-	-	-	-	-	-
Total assets	<u>1,259,735</u>	<u>5,410,153</u>	<u>968,810</u>	<u>475,317</u>	<u>871,338</u>	<u>76,372</u>	<u>30,197</u>	<u>188,185</u>
LIABILITIES								
Accounts payable	261,138	16,818	14,771	44,222	37,398	-	-	1,272
Due to other funds	-	-	-	-	163,705	-	-	-
Accrued liabilities	-	-	-	-	-	4,683	2,968	2,864
Unearned revenues	-	-	-	-	-	-	-	184,049
Total liabilities	<u>261,138</u>	<u>16,818</u>	<u>14,771</u>	<u>44,222</u>	<u>201,103</u>	<u>4,683</u>	<u>2,968</u>	<u>188,185</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	16,456	15,163	-	-	-	-	-	-
Total deferred inflows of resources	<u>16,456</u>	<u>15,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Restricted for:								
Public safety	907,086	-	718,062	-	-	71,689	27,229	-
Transportation	-	1,657,185	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	431,095	654,846	-	-	-
Judicial services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Assigned:								
Assets held for economic development	-	-	-	-	-	-	-	-
Subsequent year's budget	75,055	3,720,987	235,977	-	15,389	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>982,141</u>	<u>5,378,172</u>	<u>954,039</u>	<u>431,095</u>	<u>670,235</u>	<u>71,689</u>	<u>27,229</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,259,735</u>	<u>\$ 5,410,153</u>	<u>\$ 968,810</u>	<u>\$ 475,317</u>	<u>\$ 871,338</u>	<u>\$ 76,372</u>	<u>\$ 30,197</u>	<u>\$ 188,185</u>

Special Revenue Funds			Debt Service Fund	Capital Projects Funds				
Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Parks, Recreation, & Tourism Fund	Economic Development	Bridge and Culvert Capital Projects	Capital Equipment and Vehicle	Totals
\$ 121,962	\$ -	\$ 1,637,339	\$ 2,037,867	\$ 46,100	\$ 4,856,192	\$ 4,938,802	\$ 1,460,252	\$ 23,542,584
-	-	-	-	-	-	-	-	450,000
-	-	37,107	48,337	-	29,392	15,318	14,828	207,052
-	-	-	2,263	-	-	-	16,370	145,814
18,054	-	3,394	-	-	2,716	1,131	3,725	225,806
-	-	-	350,674	-	-	-	-	350,674
-	-	-	-	-	2,092,179	-	-	2,092,179
140,016	-	1,677,840	2,439,141	46,100	6,980,479	4,955,251	1,495,175	27,014,109
-	-	-	-	96,217	845,919	72,760	-	1,390,515
-	10,439	-	-	-	-	-	-	174,144
5,132	-	-	-	-	-	-	-	15,647
-	-	-	-	-	-	-	-	184,049
5,132	10,439	-	-	96,217	845,919	72,760	-	1,764,355
-	-	18,250	34,263	-	14,606	3,533	8,281	110,552
-	-	18,250	34,263	-	14,606	3,533	8,281	110,552
-	-	-	-	-	-	-	-	1,724,066
-	-	-	-	-	-	-	-	1,657,185
-	-	-	2,404,878	-	-	-	-	2,404,878
-	-	-	-	-	-	-	-	1,085,941
134,884	-	-	-	-	-	-	-	134,884
-	-	1,659,590	-	-	-	-	-	1,659,590
-	-	-	-	-	4,011,273	4,790,255	725,032	9,526,560
-	-	-	-	-	2,092,179	-	-	2,092,179
-	-	-	-	-	16,502	88,703	761,862	4,914,475
-	(10,439)	-	-	(50,117)	-	-	-	(60,556)
134,884	(10,439)	1,659,590	2,404,878	(50,117)	6,119,954	4,878,958	1,486,894	25,139,202
\$ 140,016	\$ -	\$ 1,677,840	\$ 2,439,141	\$ 46,100	\$ 6,980,479	\$ 4,955,251	\$ 1,495,175	\$ 27,014,109

OCONEE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds							
	Emergency Services Protection District	Road Maintenance	911 Communications	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility
Revenues:								
Property taxes	\$ 1,709,836	\$ 1,363,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	142,665	534,130	999,800	-	-	-
Intergovernmental	-	222,730	507,561	-	-	-	-	177,534
Licenses and permits	65,294	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	71,024	32,846	-
Interest revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Total revenues	1,775,130	1,586,183	650,226	534,130	999,800	71,024	32,846	177,534
Expenditures:								
Current:								
Public safety	1,420,390	-	943,864	-	-	130,804	75,904	128,366
Transportation	-	301,065	-	-	-	-	-	-
Culture and recreation	-	-	-	352,739	949,411	-	-	-
Judicial services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Capital outlay	-	19,324	87,846	-	-	-	-	49,168
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,420,390	320,389	1,031,710	352,739	949,411	130,804	75,904	177,534
Excess (deficiency) of revenues over (under) expenditures	354,740	1,265,794	(381,484)	181,391	50,389	(59,780)	(43,058)	-
Other financing sources (uses)								
Transfers in	-	3,986	-	-	-	137,000	110,000	-
Transfers out	-	(38,664)	-	(50,456)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(34,678)	-	(50,456)	-	137,000	110,000	-
Net change in fund balances	354,740	1,231,116	(381,484)	130,935	50,389	77,220	66,942	-
Fund balances (deficits), beginning of year	627,401	4,147,056	1,335,523	300,160	619,846	(5,531)	(39,713)	-
Fund balances (deficits), end of year	\$ 982,141	\$ 5,378,172	\$ 954,039	\$ 431,095	\$ 670,235	\$ 71,689	\$ 27,229	\$ -

Special Revenue Funds			Debt Service Fund	Capital Projects Funds				
Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Parks, Recreation, & Tourism Fund	Economic Development	Bridge and Culvert Capital Projects	Capital Equipment and Vehicle	Totals
\$ -	\$ -	\$ 1,950,849	\$ 1,567,385	\$ 897,440	\$ 1,214,786	\$ 654,583	\$ 1,324,785	\$ 10,683,117
-	-	-	-	-	-	-	-	1,676,595
141,875	150,848	67,960	-	-	22,858	22,653	-	1,314,019
-	-	-	-	-	-	-	-	65,294
-	-	-	-	-	-	-	-	103,870
-	-	-	70,277	-	1,933	-	-	72,210
-	-	-	-	-	-	-	53,746	53,746
141,875	150,848	2,018,809	1,637,662	897,440	1,239,577	677,236	1,378,531	13,968,851
-	-	-	-	-	-	-	-	2,699,328
-	-	-	-	-	-	210,909	-	511,974
-	88,486	-	-	947,557	44,083	-	-	2,382,276
145,914	-	-	-	-	-	-	-	145,914
-	-	1,580,200	-	-	-	-	-	1,580,200
-	-	-	-	-	695,781	-	-	695,781
-	78,552	-	-	-	18,617	677,582	938,712	1,869,801
-	-	-	1,623,151	-	-	-	-	1,623,151
-	-	-	241,317	-	-	-	-	241,317
145,914	167,038	1,580,200	1,864,468	947,557	758,481	888,491	938,712	11,749,742
(4,039)	(16,190)	438,609	(226,806)	(50,117)	481,096	(211,255)	439,819	2,219,109
-	-	-	-	-	-	-	-	250,986
-	-	-	-	-	-	-	(3,069)	(92,189)
-	-	-	-	-	-	-	72,087	72,087
-	-	-	-	-	-	-	69,018	230,884
(4,039)	(16,190)	438,609	(226,806)	(50,117)	481,096	(211,255)	508,837	2,449,993
138,923	5,751	1,220,981	2,631,684	-	5,638,858	5,090,213	978,057	22,689,209
\$ 134,884	\$ (10,439)	\$ 1,659,590	\$ 2,404,878	\$ (50,117)	\$ 6,119,954	\$ 4,878,958	\$ 1,486,894	\$ 25,139,202

OCONEE COUNTY, SOUTH CAROLINA
EMERGENCY SERVICES PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,512,000	\$ 1,512,000	\$ 1,709,836	\$ 197,836
Licenses and permits	-	-	65,294	65,294
Total revenues	<u>1,512,000</u>	<u>1,512,000</u>	<u>1,775,130</u>	<u>263,130</u>
EXPENDITURES				
Public safety	1,512,000	1,519,016	1,420,390	98,626
Capital outlay	-	142,394	-	142,394
Total expenditures	<u>1,512,000</u>	<u>1,661,410</u>	<u>1,420,390</u>	<u>241,020</u>
Net change in fund balance	-	(149,410)	354,740	504,150
FUND BALANCES, beginning of year	<u>627,401</u>	<u>627,401</u>	<u>627,401</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 627,401</u>	<u>\$ 477,991</u>	<u>\$ 982,141</u>	<u>\$ 504,150</u>

OCONEE COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,171,920	\$ 1,171,920	\$ 1,363,453	\$ 191,533
Intergovernmental	220,000	220,000	222,730	2,730
Total revenues	<u>1,391,920</u>	<u>1,391,920</u>	<u>1,586,183</u>	<u>194,263</u>
EXPENDITURES				
Transportation	525,000	525,000	301,065	223,935
Capital outlay	2,020,000	2,020,000	19,324	2,000,676
Total expenditures	<u>2,545,000</u>	<u>2,545,000</u>	<u>320,389</u>	<u>2,224,611</u>
Excess (deficiency) of revenues over (under) expenditures	(1,153,080)	(1,153,080)	1,265,794	2,418,874
Other financing sources (uses)				
Transfers in	-	-	3,986	3,986
Transfers out	-	-	(38,664)	(38,664)
Total other financing uses, net	<u>-</u>	<u>-</u>	<u>(34,678)</u>	<u>(34,678)</u>
Net change in fund balance	(1,153,080)	(1,153,080)	1,231,116	2,384,196
FUND BALANCES, beginning of year	<u>4,147,056</u>	<u>4,147,056</u>	<u>4,147,056</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,993,976</u>	<u>\$ 2,993,976</u>	<u>\$ 5,378,172</u>	<u>\$ 2,384,196</u>

OCONEE COUNTY, SOUTH CAROLINA

911 COMMUNICATIONS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 220,000	\$ 220,000	\$ 142,665	\$ (77,335)
Intergovernmental	270,000	270,000	507,561	237,561
Total revenues	<u>490,000</u>	<u>490,000</u>	<u>650,226</u>	<u>160,226</u>
EXPENDITURES				
Public safety	284,000	682,683	943,864	(261,181)
Capital outlay	200,000	402,195	87,846	314,349
Total expenditures	<u>484,000</u>	<u>1,084,878</u>	<u>1,031,710</u>	<u>53,168</u>
Net change in fund balance	6,000	(594,878)	(381,484)	213,394
FUND BALANCES, beginning of year	<u>1,335,523</u>	<u>1,335,523</u>	<u>1,335,523</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,341,523</u>	<u>\$ 740,645</u>	<u>\$ 954,039</u>	<u>\$ 213,394</u>

OCONEE COUNTY, SOUTH CAROLINA

SHERIFF'S VICTIMS' ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 54,000	\$ 54,000	\$ 71,024	\$ 17,024
Total revenues	54,000	54,000	71,024	17,024
EXPENDITURES				
Public safety	127,753	127,753	130,804	(3,051)
Total expenditures	127,753	127,753	130,804	(3,051)
Deficiency of revenues under expenditures	(73,753)	(73,753)	(59,780)	13,973
Other financing sources				
Transfers in	137,000	137,000	137,000	-
Total other financing sources	137,000	137,000	137,000	-
Net change in fund balance	63,247	63,247	77,220	13,973
FUND (DEFICITS), beginning of year	(5,531)	(5,531)	(5,531)	-
FUND BALANCES, end of year	\$ 57,716	\$ 57,716	\$ 71,689	\$ 13,973

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 23,000	\$ 23,000	\$ 32,846	\$ 9,846
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>32,846</u>	<u>9,846</u>
EXPENDITURES				
Public safety	75,006	75,006	75,904	(898)
Total expenditures	<u>75,006</u>	<u>75,006</u>	<u>75,904</u>	<u>(898)</u>
Deficiency of revenues under expenditures	(52,006)	(52,006)	(43,058)	8,948
Other financing sources				
Transfers in	110,000	110,000	110,000	-
Total other financing sources	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net change in fund balance	57,994	57,994	66,942	8,948
FUND (DEFICITS), beginning of year	<u>(39,713)</u>	<u>(39,713)</u>	<u>(39,713)</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 18,281</u>	<u>\$ 18,281</u>	<u>\$ 27,229</u>	<u>\$ 8,948</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,950,849	\$ 250,849
Intergovernmental	-	-	67,960	67,960
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>2,018,809</u>	<u>318,809</u>
EXPENDITURES				
Education	<u>1,580,200</u>	<u>1,580,200</u>	<u>1,580,200</u>	<u>-</u>
Total expenditures	<u>1,580,200</u>	<u>1,580,200</u>	<u>1,580,200</u>	<u>-</u>
Net change in fund balance	119,800	119,800	438,609	318,809
FUND BALANCES, beginning of year	<u>1,220,981</u>	<u>1,220,981</u>	<u>1,220,981</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 1,340,781</u></u>	<u><u>\$ 1,340,781</u></u>	<u><u>\$ 1,659,590</u></u>	<u><u>\$ 318,809</u></u>

**OCONEE COUNTY, SOUTH CAROLINA
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,868,306	\$ 1,868,306	\$ 1,567,385	\$ (300,921)
Interest revenue	-	-	70,277	70,277
Total revenues	<u>1,868,306</u>	<u>1,868,306</u>	<u>1,637,662</u>	<u>(230,644)</u>
EXPENDITURES				
Debt service				
Principal	1,623,151	1,623,151	1,623,151	-
Interest and fiscal charges	245,155	245,155	241,317	3,838
Total expenditures	<u>1,868,306</u>	<u>1,868,306</u>	<u>1,864,468</u>	<u>3,838</u>
Net change in fund balance	-	-	(226,806)	(226,806)
FUND BALANCES, beginning of year	<u>2,631,684</u>	<u>2,631,684</u>	<u>2,631,684</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,631,684</u>	<u>\$ 2,631,684</u>	<u>\$ 2,404,878</u>	<u>\$ (226,806)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 550,000	\$ 550,000	\$ 654,583	\$ 104,583
Intergovernmental	-	-	22,653	22,653
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>677,236</u>	<u>127,236</u>
EXPENDITURES				
Transportation	1,150,000	1,244,793	210,909	1,033,884
Capital outlay	-	-	677,582	(677,582)
Total expenditures	<u>1,150,000</u>	<u>1,244,793</u>	<u>888,491</u>	<u>356,302</u>
Net change in fund balance	(600,000)	(694,793)	(211,255)	483,538
FUND BALANCES, beginning of year	<u>5,090,213</u>	<u>5,090,213</u>	<u>5,090,213</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,490,213</u>	<u>\$ 4,395,420</u>	<u>\$ 4,878,958</u>	<u>\$ 483,538</u>

**OCONEE COUNTY, SOUTH CAROLINA
ECONOMIC DEVELOPMENT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,110,822	\$ 1,110,822	\$ 1,214,786	\$ 103,964
Intergovernmental	-	-	22,858	22,858
Investment income	-	-	1,933	1,933
Total revenues	<u>1,110,822</u>	<u>1,110,822</u>	<u>1,239,577</u>	<u>128,755</u>
EXPENDITURES				
Culture and recreation	-	-	44,083	(44,083)
Economic Development	1,110,822	1,165,187	695,781	469,406
Capital outlay	-	-	18,617	(18,617)
Total expenditures	<u>1,110,822</u>	<u>1,165,187</u>	<u>758,481</u>	<u>406,706</u>
Net change in fund balance	-	(54,365)	481,096	535,461
FUND BALANCES, beginning of year	<u>5,638,858</u>	<u>5,638,858</u>	<u>5,638,858</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 5,638,858</u>	<u>\$ 5,584,493</u>	<u>\$ 6,119,954</u>	<u>\$ 535,461</u>

**OCONEE COUNTY, SOUTH CAROLINA
PARKS, RECREATION & TOURISM**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 717,051	\$ 717,051	\$ 897,440	\$ 180,389
Total revenues	<u>717,051</u>	<u>717,051</u>	<u>897,440</u>	<u>180,389</u>
EXPENDITURES				
Culture and recreation	1,500,000	1,544,010	947,557	596,453
Total expenditures	<u>1,500,000</u>	<u>1,544,010</u>	<u>947,557</u>	<u>596,453</u>
Net change in fund balance	(782,949)	(826,959)	(50,117)	776,842
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND (DEFICITS), end of year	<u>\$ (782,949)</u>	<u>\$ (826,959)</u>	<u>\$ (50,117)</u>	<u>\$ 776,842</u>

OCONEE COUNTY, SOUTH CAROLINA
CAPITAL EQUIPMENT AND VEHICLE CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,096,728	\$ 1,096,728	\$ 1,324,785	\$ 228,057
Other revenue	75,000	75,000	53,746	(21,254)
Total revenues	<u>1,171,728</u>	<u>1,171,728</u>	<u>1,378,531</u>	<u>206,803</u>
EXPENDITURES				
Capital outlay	<u>1,621,728</u>	<u>2,119,629</u>	<u>938,712</u>	<u>1,180,917</u>
Total expenditures	<u>1,621,728</u>	<u>2,119,629</u>	<u>938,712</u>	<u>1,180,917</u>
Excess (deficiency) of revenues over (under) expenditures	(450,000)	(947,901)	439,819	1,387,720
Other financing sources (uses)				
Sale of capital assets	50,000	50,000	72,087	22,087
Transfers out	-	-	(3,069)	(3,069)
Total other financing sources, net	<u>50,000</u>	<u>50,000</u>	<u>69,018</u>	<u>19,018</u>
Net change in fund balance	(400,000)	(897,901)	508,837	1,406,738
FUND BALANCES, beginning of year	<u>978,057</u>	<u>978,057</u>	<u>978,057</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 578,057</u>	<u>\$ 80,156</u>	<u>\$ 1,486,894</u>	<u>\$ 1,406,738</u>

OCONEE COUNTY, SOUTH CAROLINA

FIDUCIARY FUNDS

CUSTODIAL FUNDS

The **SCDOC General Fund** accounts for revenues collected by taxes on behalf of the School District of Oconee County for their operations.

The **SCDOC Debt Retirement Fund** accounts for revenues collected by taxes on behalf of the School District of Oconee County for their Debt Service.

The **Family Court Fund** accounts for State's portion of monies collected by the Clerk of Court from fines, fees, and surcharges related to Family Court.

The **Clerk of Court Fund** receives funds per a court order. Most orders will refer to the power of eminent domain and S.C. Code Section 28-2-0, which allows the funds to be held in an interest-bearing account. The Clerk of Court also collects certain fines.

The **Municipal Tax Fund** accounts for revenues collected by taxes on behalf of the Municipalities

The **Keowee Fire Tax District Fund** accounts for revenues collected by special assessment through taxes on behalf of Keowee Fire District.

The **Magistrate Cash Bond/Juror Fund** is used to account for fines and fees of the County Magistrates. The funds are forwarded to the State Treasurer or County Treasurer for disbursement.

The **Delinquent Tax Fund** is used to account for monies collected at delinquent tax sales.

The **Sheriff's Office Fund** accounts for seizures and forfeitures.

The **Probate Judge Fund** accounts for fees retained by the Probate Court.

The **Solicitor's Worthless Check Program Fund** accounts for Solicitor's retained portion of bad check collections.

The **Pickens County Fund** accounts for tax monies collected for an economic development tool through a Multicounty Business Park.

The **Anderson County Fund** accounts for tax monies collected for an economic development tool through a Multicounty Business Park.

The **Community Development Fund** accounts for monies held in Escrow for Subdivision development.

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2022

ASSETS	SCDOC General Fund	SCDOC Debt Retirement	Family Court	Clerk of Court	Municipal Tax Fund	Keowee Fire Tax District	Magistrate Cash Bond/ Juror Fund	Delinquent Tax Fund
Cash and cash equivalents	\$ 3,775,886	\$ 18,716,013	\$ 16,291	\$ 704,206	\$ 243,194	\$ 10,490	\$ 142,530	\$ 1,791,563
Taxes receivable	1,600,815	457,482	-	-	189,115	6,922	-	-
Total assets	5,376,701	19,173,495	16,291	704,206	432,309	17,412	142,530	1,791,563
LIABILITIES								
Due to others	3,775,886	18,716,013	16,291	8,676	243,194	10,490	142,530	1,791,563
Uncollected taxes	1,600,815	457,482	-	-	189,115	6,922	-	-
Total liabilities	5,376,701	19,173,495	16,291	8,676	432,309	17,412	142,530	1,791,563
NET POSITION								
Restricted for individuals, organizations and other governments	-	-	-	695,530	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ 695,530	\$ -	\$ -	\$ -	\$ -

<u>Sheriff's Office</u>	<u>Probate Judge</u>	<u>Solicitor's Worthless Check Program</u>	<u>Pickens County</u>	<u>Anderson County</u>	<u>Community Development</u>	<u>Total</u>
\$ 317,321	\$ 14,634	\$ 3,994	\$ 69,465	\$ 1,674	\$ 245,013	\$ 26,052,274
-	-	-	-	-	-	2,254,334
317,321	14,634	3,994	69,465	1,674	245,013	28,306,608
317,321	14,634	3,994	69,465	1,674	245,013	25,356,744
-	-	-	-	-	-	2,254,334
317,321	14,634	3,994	69,465	1,674	245,013	27,611,078
-	-	-	-	-	-	695,530
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695,530

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SCDOC General Fund	SCDOC Debt Retirement	Family Court	Clerk of Court	Municipal Tax Fund	Keowee Fire Tax District	Magistrate Cash Bond/ Juror Fund	Delinquent Tax Fund
ADDITIONS								
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	88,916,526	60,396,694	-	-	4,131,769	982,558	-	3,349,927
Fines and fees	-	-	614,881	-	-	-	1,140,737	-
Criminal and civil bonds	-	-	-	1,763,078	-	-	-	-
Total additions	88,916,526	60,396,694	614,881	1,763,078	4,131,769	982,558	1,140,737	3,349,927
DEDUCTIONS								
Taxes and fees paid to other governments	88,916,526	60,396,694	-	-	4,131,769	982,558	-	3,349,927
Funds disbursed per court order	-	-	-	1,283,234	-	-	1,140,737	-
Other funds disbursed	-	-	614,881	-	-	-	-	-
Total deductions	88,916,526	60,396,694	614,881	1,283,234	4,131,769	982,558	1,140,737	3,349,927
Change in fiduciary net position	-	-	-	479,844	-	-	-	-
Net position, beginning of year	-	-	-	215,686	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ 695,530	\$ -	\$ -	\$ -	\$ -

Sheriff's Office	Probate Judge	Solicitor's Worthless Check Program	Pickens County	Anderson County	Community Development	Total
\$ -	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ 21
-	-	-	-	-	-	157,777,474
487,468	-	-	-	-	-	2,243,086
-	-	12,857	140,824	69,074	-	1,985,833
487,468	21	12,857	140,824	69,074	-	162,006,414
487,468	-	-	-	-	-	158,264,942
-	-	-	-	-	-	2,423,971
-	21	12,857	140,824	69,074	-	837,657
487,468	21	12,857	140,824	69,074	-	161,526,570
-	-	-	-	-	-	479,844
-	-	-	-	-	-	215,686
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695,530

OCONEE COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 65,355	\$ 709,891	N/A	\$ 775,246
Court fines and assessments remitted to State Treasurer	32,509	401,381	N/A	433,890
Total Court Fines and Assessments retained	\$ 32,846	\$ 308,510	N/A	\$ 341,356
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 29,884	\$ 22,710	N/A	\$ 52,594
Assessments retained	2,962	32,682	N/A	35,644
Total Surcharges and Assessments retained for victim services	\$ 32,846	\$ 55,392	N/A	\$ 88,238

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ (45,244)	\$ (45,244)
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	35,644	35,644
Victim Service Surcharges Retained by City/County Treasurer	N/A	52,594	52,594
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	247,000	247,000
Contribution Received from Victim Service Contracts:			
(1) City of Westminster	N/A	15,632	15,632
(2) Town of West Union	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 305,626	\$ 305,626

OCONEE COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2022

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 206,708	\$ 206,708
Operating Expenditures	N/A	-	-
Victim Service Contract(s):			
(1) Entity's Name:	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	206,708	206,708
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	98,918	98,918
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 98,918	\$ 98,918

STATISTICAL SECTION

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

Contents

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Financial Trends 109 - 114

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 115 - 118

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

Debt Capacity 119 - 123

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 124 - 127

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 128 - 133

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

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

OCONEE COUNTY, SOUTH CAROLINA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 95,788,551	\$ 98,724,529	\$ 115,776,114	\$ 117,641,741	\$ 115,481,202	\$ 111,858,197	\$ 111,079,685	\$ 110,011,100	\$ 110,968,422	\$ 112,554,496
Restricted	4,427,846	3,974,459	4,547,704	11,572,618	11,854,956	11,397,155	15,471,375	15,308,681	18,818,076	18,686,699
Unrestricted	43,370,642	41,790,290	(2,830,210)	(9,444,689)	(11,276,727)	(23,584,421)	(22,313,815)	(20,026,233)	(22,196,355)	(19,390,641)
Total Governmental Activities Net Position	143,587,039	144,489,278	117,493,608	119,769,670	116,059,431	99,670,931	104,237,245	105,293,548	107,590,143	111,850,554
Business-type Activities										
Net investment in capital assets	16,167,255	15,418,889	15,676,314	15,453,880	3,544,055	3,527,427	5,323,696	6,574,367	7,750,530	7,715,190
Unrestricted	(16,066)	(1,746,495)	(4,596,442)	(4,746,933)	627,854	5,079,971	5,420,611	6,006,659	6,487,397	7,088,225
Total Business-type Activities Net Position	16,151,189	13,672,394	11,079,872	10,706,947	4,171,909	8,607,398	10,744,307	12,581,026	14,237,927	14,803,415
Primary Government										
Net investment in capital assets	111,955,806	114,143,418	131,452,428	133,095,621	119,025,257	115,385,624	116,403,381	116,585,467	118,718,952	120,269,686
Restricted	4,427,846	3,974,459	4,547,704	11,572,618	11,854,956	11,397,155	15,471,375	15,308,681	18,818,076	18,686,699
Unrestricted	43,354,576	40,043,795	(7,426,652)	(14,191,622)	(10,648,873)	(18,504,450)	(16,893,204)	(14,019,574)	(15,708,958)	(12,302,416)
Total Primary Government Net Position	<u>\$ 159,738,228</u>	<u>\$ 158,161,672</u>	<u>\$ 128,573,480</u>	<u>\$ 130,476,617</u>	<u>\$ 120,231,340</u>	<u>\$ 108,278,329</u>	<u>\$ 114,981,552</u>	<u>\$ 117,874,574</u>	<u>\$ 121,828,070</u>	<u>\$ 126,653,969</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 11,261,859	\$ 10,047,351	\$ 10,126,223	\$ 15,373,751	\$ 14,146,220	\$ 13,350,317	\$ 10,026,571	\$ 14,635,751	\$ 17,117,584	\$ 17,342,105
Public safety	19,204,344	20,131,431	20,502,284	19,750,046	21,736,482	24,291,184	24,773,993	27,889,318	29,284,748	30,728,185
Transportation	7,372,983	8,008,004	6,916,146	6,360,354	7,667,087	6,693,782	7,146,148	6,265,856	6,362,138	7,280,152
Public works	1,930,852	3,897,503	3,887,619	2,218,478	5,632,511	4,350,823	4,455,182	4,246,061	5,044,049	5,325,355
Culture and recreation	2,986,367	3,213,785	3,343,201	3,314,681	2,227,271	3,597,829	3,664,448	3,968,598	4,379,793	6,023,945
Judicial services	3,019,193	3,046,553	3,233,141	3,098,182	3,153,126	3,214,237	3,076,497	3,201,903	3,446,141	3,850,018
Education	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999	1,512,498	1,590,397	1,480,801	1,645,262	1,580,200
Health and welfare	494,226	1,057,650	400,441	542,478	534,108	510,848	537,987	510,409	449,441	709,272
Economic development	1,517,386	2,454,331	1,291,090	891,864	3,858,741	7,167,155	2,008,744	2,430,204	1,692,324	1,778,067
Unallocated interest expense	854,537	852,127	642,981	648,480	614,791	551,023	512,965	559,065	342,443	329,999
Total Governmental Activities Expenses	49,678,501	53,750,520	51,409,126	53,284,314	60,636,336	65,239,696	57,792,932	65,187,966	69,763,923	74,947,298
<u>Business-type Activities:</u>										
Rock Quarry	2,702,814	2,725,580	2,760,715	3,151,400	3,153,499	3,590,313	3,603,955	3,940,079	4,258,105	5,954,222
FOCUS	228,910	1,606,703	2,324,110	2,672,861	9,082,810	-	-	-	-	934,000
Total Business-type Activities Expense	2,931,724	4,332,283	5,084,825	5,824,261	12,236,309	3,590,313	3,603,955	3,940,079	4,258,105	6,888,222
Total Primary Government Expenses	52,610,225	58,082,803	56,493,951	59,108,575	72,872,645	68,830,009	61,396,887	69,128,045	74,022,028	81,835,520
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	721,041	743,811	957,289	1,102,851	1,131,063	1,309,495	1,364,494	1,521,657	2,036,540	2,216,793
Public safety	954,080	1,050,750	1,121,939	945,391	1,094,335	1,335,346	1,278,747	1,355,323	1,676,833	4,065,864
Transportation	954,518	842,073	840,747	839,311	999,702	1,085,477	1,331,871	1,262,152	1,528,774	2,638,794
Public works	1,145,528	1,202,131	1,143,107	1,321,487	1,406,614	1,652,254	1,648,864	2,116,435	2,473,967	3,134,799
Culture and recreation	358,074	377,862	378,066	468,321	531,420	571,045	589,759	504,216	783,121	767,681
Judicial services	1,005,102	907,605	779,808	746,975	747,257	796,027	730,935	793,387	876,064	902,507
Health and welfare	-	-	-	-	-	-	-	-	-	-
Economic development	9,500	-	-	850	226	-	-	75	-	325
Operating grants and contributions	1,646,556	1,925,061	1,888,624	2,407,575	2,914,832	2,337,922	3,780,260	3,139,229	4,416,023	6,229,950
Capital grants and contributions	677,399	2,022,895	2,531,412	1,755,317	1,159,095	1,263,529	1,258,895	2,050,616	3,280,791	2,390,804
Total Governmental Activities Program Revenues	7,471,798	9,072,188	9,640,992	9,588,078	9,984,544	10,351,095	11,983,825	12,743,090	17,072,113	22,347,517
<u>Business-type Activities:</u>										
Charges for services										
Rock Quarry	2,779,245	3,393,169	478,009	907,397	5,231,620	5,869,860	6,109,579	6,469,063	6,643,233	7,488,294
FOCUS	913,801	44,879	4,166,519	5,021,553	969,651	235,430	-	-	-	-
Capital grants and contributions	3,141,110	-	-	-	-	7,660	-	-	-	-
Total Business-type Activities Program Revenues	6,834,156	3,438,048	4,644,528	5,928,950	6,201,271	6,112,950	6,109,579	6,469,063	6,643,233	7,488,294
Total Primary Government Program Revenues	\$ 14,305,954	\$ 12,510,236	\$ 14,285,520	\$ 15,517,028	\$ 16,185,815	\$ 16,464,045	\$ 18,093,404	\$ 19,212,153	\$ 23,715,346	\$ 29,835,811

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (42,206,703)	\$ (44,678,332)	\$ (41,768,134)	\$ (43,696,236)	\$ (50,651,792)	\$ (54,888,601)	\$ (45,809,107)	\$ (52,444,876)	\$ (52,691,810)	\$ (52,599,781)
Business-type Activities	3,902,432	(894,235)	(440,297)	104,689	(6,035,038)	2,522,637	2,505,624	2,528,984	2,385,128	600,072
Total Primary Government	(38,304,271)	(45,572,567)	(42,208,431)	(43,591,547)	(56,686,830)	(52,365,964)	(43,303,483)	(49,915,892)	(50,306,682)	(51,999,709)
General Revenues and Other Changes in Net Position										
<u>Governmental Activities:</u>										
Property taxes	37,638,742	39,926,946	40,208,079	41,172,258	42,188,898	43,219,013	44,172,858	46,988,932	49,241,399	52,080,875
Other taxes and licenses	772,729	843,741	883,996	896,899	1,027,358	1,017,648	1,056,328	1,197,946	1,656,480	1,935,598
Unrestricted grants and contributions	2,732,272	2,743,615	2,760,812	2,753,991	2,881,355	2,831,768	2,859,287	2,986,063	3,040,980	2,326,642
Unrestricted investment earnings	350,417	483,260	521,943	546,936	232,848	401,360	1,031,888	959,496	102,137	73,206
Miscellaneous	232,576	-	203,750	118,692	111,094	620,830	755,060	618,742	197,409	377,871
Special items	-	-	-	-	-	-	-	-	-	-
Proceeds from legal settlement	375,000	-	-	-	-	-	-	-	-	-
Transfers	116,991	1,583,009	750,000	483,522	500,000	(2,440,828)	500,000	750,000	750,000	66,000
Total Governmental Activities	42,218,727	45,580,571	45,328,580	45,972,298	46,941,553	45,649,791	50,375,421	53,501,179	54,988,405	56,860,192
<u>Business-type Activities:</u>										
Investment earnings	3,714	(1,552)	13,883	5,908	-	5,211	131,285	57,735	1,773	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	20,000	31,416
Miscellaneous	37,056	-	-	-	-	-	-	-	-	-
Transfers	(116,991)	(1,583,009)	(750,000)	(483,522)	(500,000)	2,440,828	(500,000)	(750,000)	(750,000)	(66,000)
Total Business-type Activities	(76,221)	(1,584,561)	(736,117)	(477,614)	(500,000)	2,446,039	(368,715)	(692,265)	(728,227)	(34,584)
Total Primary Government	42,142,506	43,996,010	44,592,463	45,494,684	46,441,553	48,095,830	50,006,706	52,808,914	54,260,178	56,825,608
Change in Net Position										
Governmental Activities	12,024	902,239	3,560,446	2,276,062	(3,710,239)	(9,238,810)	4,566,314	1,056,303	2,296,595	4,260,411
Business-type Activities	3,826,211	(2,478,796)	(1,176,414)	(372,925)	(6,535,038)	4,968,676	2,136,909	1,836,719	1,656,901	565,488
Total Primary Government	\$ 3,838,235	\$ (1,576,557)	\$ 2,384,032	\$ 1,903,137	\$ (10,245,277)	\$ (4,270,134)	\$ 6,703,223	\$ 2,893,022	\$ 3,953,496	\$ 4,825,899

OCONEE COUNTY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 7,575,436	\$ 7,974,903	\$ 7,893,345	\$ 10,178,225	\$ 12,330,060	\$ 8,722,562	\$ 8,747,207	\$ 8,762,306	\$ 8,738,247	\$ 8,708,206
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	6,319,226	6,201,707	5,859,340	6,305,588	5,402,720	5,050,838	6,100,003	7,373,459	4,814,094	6,318,714
Unassigned	7,912,690	7,956,354	7,680,785	5,778,824	6,003,573	6,412,141	7,172,523	9,478,187	11,122,634	11,260,698
Total General Fund	<u>\$ 21,807,352</u>	<u>\$ 22,132,964</u>	<u>\$ 21,433,470</u>	<u>\$ 22,262,637</u>	<u>\$ 23,736,353</u>	<u>\$ 20,185,541</u>	<u>\$ 22,019,733</u>	<u>\$ 25,613,952</u>	<u>\$ 24,674,975</u>	<u>\$ 26,287,618</u>
All Other Governmental Funds										
Nonspendable	\$ 5,120,760	\$ 5,715,670	\$ 6,007,910	\$ 6,157,338	\$ 6,105,946	\$ 2,467,749	\$ 2,739,597	\$ 2,476,938	\$ 2,242,188	\$ -
Restricted	31,810,874	23,056,108	12,010,393	11,572,618	11,854,956	11,397,155	15,471,375	15,308,681	18,818,076	18,686,699
Committed	-	-	1,830,000	1,900,000	-	-	-	-	-	-
Assigned	-	1,418,771	-	500,000	500,000	500,000	500,000	3,402,429	3,929,560	7,513,766
Unassigned	-	-	(5,430)	(22,528)	-	-	(5,781)	(114,728)	(479,525)	(60,556)
Total all other governmental funds	<u>\$ 36,931,634</u>	<u>\$ 30,190,549</u>	<u>\$ 19,842,873</u>	<u>\$ 20,107,428</u>	<u>\$ 18,460,902</u>	<u>\$ 14,364,904</u>	<u>\$ 18,705,191</u>	<u>\$ 21,073,320</u>	<u>\$ 24,510,299</u>	<u>\$ 26,139,909</u>
Total all governmental funds	<u>\$ 58,738,986</u>	<u>\$ 52,323,513</u>	<u>\$ 41,276,343</u>	<u>\$ 42,370,065</u>	<u>\$ 42,197,255</u>	<u>\$ 34,550,445</u>	<u>\$ 40,724,924</u>	<u>\$ 46,687,272</u>	<u>\$ 49,185,274</u>	<u>\$ 52,427,527</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 37,554,856	\$ 39,752,966	\$ 40,022,706	\$ 41,403,551	\$ 42,157,936	\$ 42,783,917	\$ 44,635,982	\$ 46,882,306	\$ 49,454,841	\$ 52,379,127
Other taxes	656,268	636,153	692,870	774,943	837,018	734,169	834,276	942,497	1,403,293	1,676,595
Intergovernmental	4,695,381	6,335,362	7,145,213	6,609,118	6,151,473	5,432,437	8,583,227	7,863,095	8,648,104	13,756,801
Licenses, permits and fees	2,846,954	2,942,232	3,136,565	3,329,718	3,563,396	4,449,954	4,298,972	5,210,108	6,441,152	7,196,258
Fines and forfeitures	442,930	462,505	397,280	349,825	443,592	331,778	378,436	340,230	366,767	361,842
Charges for services	1,714,530	1,706,415	1,511,531	1,548,745	1,907,558	2,051,240	2,193,336	2,053,879	2,554,699	4,085,819
Interest and investment income	350,414	483,260	521,943	546,936	232,848	401,360	1,031,888	959,496	102,137	73,206
Contributions and donations	-	-	-	-	729,342	100,740	299,936	141,558	69,962	55,502
Miscellaneous and other	620,736	563,502	402,341	626,619	260,878	225,422	260,459	847,766	511,478	536,009
Total Revenues	48,882,069	52,882,395	53,830,449	55,189,455	56,284,041	56,511,017	62,516,512	65,240,935	69,552,433	80,121,159
Expenditures										
General government	11,112,957	9,605,045	9,340,206	10,619,326	10,139,720	12,610,766	10,312,858	11,208,161	14,756,812	17,800,280
Public safety	17,965,052	18,289,706	19,528,060	19,259,455	21,856,373	21,332,622	23,983,321	24,172,648	27,881,321	29,906,485
Transportation	4,570,959	5,642,616	5,372,448	4,093,358	4,635,820	4,149,598	4,849,354	4,321,096	4,549,609	5,436,795
Public works	3,674,946	3,539,178	3,712,590	3,800,049	4,266,899	4,338,179	4,302,740	4,405,737	5,024,846	5,581,361
Culture and recreation	2,926,734	3,051,999	3,171,835	3,420,174	3,489,308	3,636,466	3,514,396	4,571,939	4,205,517	6,013,147
Judicial services	2,664,057	2,713,121	2,901,655	2,796,960	2,829,668	2,819,197	2,878,201	3,094,464	3,123,100	3,523,941
Education	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999	1,512,498	1,590,397	1,535,801	1,645,262	1,580,200
Health and welfare	340,292	939,131	395,228	403,368	396,721	424,825	403,852	378,595	328,217	586,256
Economic development	1,497,332	8,809,901	1,885,090	884,078	4,443,777	6,719,429	1,576,508	1,967,136	1,185,333	1,226,336
Capital outlay	2,449,772	4,989,163	14,342,987	8,766,134	3,237,920	2,367,763	1,702,637	4,320,112	5,178,787	4,411,542
Debt service										
Principal retirement	3,407,298	6,298,106	3,478,508	3,257,148	3,383,237	2,678,490	2,279,400	2,398,783	3,023,723	2,421,127
Interest and fiscal charges	905,084	856,521	743,870	645,774	644,171	606,591	580,865	648,878	328,609	329,637
Bond issue costs	79,154	102,756	-	50,500	63,000	20,000	-	23,000	-	-
Total Expenditures	52,630,391	65,879,028	65,938,477	59,082,324	60,452,613	63,216,424	57,974,529	63,046,350	71,231,136	78,817,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,748,322)	(12,996,633)	(12,108,028)	(3,892,869)	(4,168,572)	(6,705,407)	4,541,983	2,194,585	(1,678,703)	1,304,052

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Sale of capital assets	\$ 31,171	\$ -	\$ 107,108	\$ 165,899	\$ 84,668	\$ -	\$ 67,189	\$ 12,004	\$ 127,168	\$ 73,844
Insurance recoveries	232,576	-	203,750	118,692	111,094	620,830	553,807	50,659	9,190	143,969
Bonds, leases, and financed purchases	2,638,954	4,998,150	-	4,200,000	3,300,000	878,595	511,500	10,200,000	3,290,347	1,654,388
Payments to refunding bonds escrow	-	-	-	-	-	-	-	(7,244,900)	-	-
Transfer in	5,188,897	3,100,368	894,582	1,317,121	4,508,152	726,003	1,199,847	1,299,347	936,441	1,925,084
Transfer out	(5,071,906)	(1,517,358)	(144,582)	(815,121)	(4,008,152)	(3,166,831)	(699,847)	(549,347)	(186,441)	(1,859,084)
Total Other Financing Sources (Uses)	3,019,692	6,581,160	1,060,858	4,986,591	3,995,762	(941,403)	1,632,496	3,767,763	4,176,705	1,938,201
Net Change in Fund Balance	<u>\$ (728,630)</u>	<u>\$ (6,415,473)</u>	<u>\$ (11,047,170)</u>	<u>\$ 1,093,722</u>	<u>\$ (172,810)</u>	<u>\$ (7,646,810)</u>	<u>\$ 6,174,479</u>	<u>\$ 5,962,348</u>	<u>\$ 2,498,002</u>	<u>\$ 3,242,253</u>
Debt Service as a Percentage of Noncapital Expenditures*	7.34%	165.00%	9.28%	22.36%	8.71%	6.73%	5.48%	4.88%	5.24%	3.92%

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

OCONEE COUNTY, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2013	\$ 318,171,344	\$ 35,811,449	\$ 161,574,917	\$ 515,557,710	69.0	\$ 9,047,217,892	5.70%
2014	322,552,303	41,212,757	157,529,631	521,294,691	71.0	9,142,100,263	5.70%
2015	320,742,833	40,299,075	164,301,126	525,343,034	71.0	9,169,352,176	5.73%
2016	323,167,245	42,705,030	180,421,797	546,294,072	71.0	9,438,560,789	5.79%
2017	333,937,375	42,504,784	183,478,946	559,921,105	71.0	9,511,692,773	5.89%
2018	335,399,830	42,663,982	190,688,108	568,751,920	71.0	9,622,040,752	5.91%
2019	342,029,234	44,396,985	190,205,574	576,631,793	72.7	9,827,455,009	5.87%
2020	349,404,947	48,724,000	171,731,216	569,860,163	77.4	9,870,473,481	5.77%
2021	360,945,320	52,374,432	186,068,558	599,388,310	77.4	10,326,754,952	5.80%
2022	378,413,820	57,131,129	209,036,011	644,580,960	76.4	10,952,700,780	5.89%

Source: Oconee County Auditor

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Oconee County Direct Rates										
Operating	58.90	57.60	57.60	57.60	60.40	60.30	62.50	63.90	63.90	63.90
Debt service	6.00	6.00	6.00	6.00	3.20	3.50	3.00	3.00	3.00	2.00
Economic development	1.00	2.20	2.20	2.20	2.20	1.10	1.10	2.40	2.40	2.40
Bridges and culverts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital vehicle and equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00
Road maintenance	0.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Tri-County Tech operations	2.10	2.10	2.10	2.10	2.10	3.00	3.00	3.00	3.00	3.00
Total County Millage	<u>69.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>72.70</u>	<u>77.40</u>	<u>77.40</u>	<u>76.40</u>
Overlapping Rates										
School District										
Operations	110.10	110.10	110.10	110.10	110.10	115.30	115.30	116.50	116.50	115.70
Debt service	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Total School Millage	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>146.30</u>	<u>146.30</u>	<u>147.50</u>	<u>147.50</u>	<u>146.70</u>
Special District Rates										
City of Salem	32.40	34.90	36.40	36.40	36.40	37.00	37.00	37.00	37.00	37.00
City of Seneca	52.30	55.30	55.30	55.30	59.30	60.50	62.70	62.70	62.70	62.70
City of Walhalla	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
City of West Union	45.00	46.00	46.00	48.30	48.80	48.80	50.30	80.30	50.30	51.80
City of Westminster	90.70	90.70	97.30	99.30	99.30	99.30	99.30	99.30	99.30	99.30
Unincorp. Fire Special District	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Keowee Fire Special District	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	17.50	17.50
Total Special District Millage	<u>321.80</u>	<u>328.30</u>	<u>336.40</u>	<u>340.70</u>	<u>345.20</u>	<u>347.00</u>	<u>350.70</u>	<u>380.70</u>	<u>353.70</u>	<u>355.20</u>
Total Direct and Overlapping Rates	<u>531.90</u>	<u>540.40</u>	<u>548.50</u>	<u>552.80</u>	<u>557.30</u>	<u>564.30</u>	<u>569.70</u>	<u>605.60</u>	<u>578.60</u>	<u>578.30</u>

Source: Oconee County Auditor

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022			Taxpayer	2013		
	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$174,924,900	1	27.14%	Duke Energy Corporation	\$132,004,270	1	25.60%
Blue Ridge Electric Coop Inc.	9,580,580	2	1.49%	Blue Ridge Electric Coop Inc.	6,475,050	2	1.26%
Borg Warner Torq Systems Inc.	4,953,966	3	0.77%	Sandvik Inc.	3,857,143	3	0.75%
Sandvik Inc.	3,340,457	4	0.52%	BASF Catalyst, LLC	3,454,411	4	0.67%
BASF Catalyst, LLC	3,207,338	5	0.50%	Cryovac Inc.	2,736,890	5	0.53%
Cryovac Inc.	2,814,733	6	0.44%	Itron Electricity Metering Inc.	2,669,923	6	0.52%
Clairos, LLC	2,630,994	7	0.41%	Tyco Healthcare Group, LP	2,212,123	7	0.43%
Itron Electricity Metering Inc.	2,385,532	8	0.37%	Borg Warner Torq Systems Inc	2,193,581	8	0.43%
Epoch Clemson, LLC	2,126,530	9	0.33%	Bellsouth Telecommunications Inc.	2,109,560	9	0.41%
US Engine Valve Company	2,072,520	10	0.32%	US Engine Valve Company	2,040,200	10	0.40%
Total	<u>\$208,037,550</u>		32.27%		<u>\$159,753,151</u>		30.99%
Total Gross Digest Assessment	<u>\$644,580,960</u>			Total Gross Digest Assessment	<u>\$515,557,710</u>		

Source: Oconee County Auditor

* Actual

OCONEE COUNTY, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 35,707,481	\$ 34,513,231	96.66%	\$ 901,118	\$ 35,414,349	99.18%
2014	36,786,238	35,519,419	96.56%	735,590	36,255,009	98.56%
2015	37,438,922	36,298,823	96.95%	703,580	37,002,403	98.83%
2016	40,371,126	39,275,957	97.29%	698,132	39,974,089	99.02%
2017	41,052,706	40,031,849	97.51%	824,757	40,856,606	99.52%
2018	42,030,767	40,696,615	96.83%	1,003,673	41,700,288	99.21%
2019	43,593,364	42,454,574	97.39%	899,927	43,354,501	99.45%
2020	45,759,771	44,454,949	97.15%	1,205,330	45,660,279	99.78%
2021	48,130,881	46,842,979	97.32%	1,179,591	48,022,570	99.77%
2022	49,181,527	48,131,649	97.87%	981,143	49,112,792	99.86%

Source: Oconee County Treasurer

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

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Source Revenue Bonds	Special Source Refunding Revenue Bonds	Financed Purchases	Revenue Bond	Financed Purchases			
2013	\$ 20,806,549	\$ 3,125,000	\$ -	\$ 1,300,953	\$ -	\$ -	\$ 25,232,502	1.0%	337
2014	17,839,292	-	2,993,000	2,987,997	-	-	23,820,289	0.9%	319
2015	15,645,178	-	2,758,000	1,844,489	-	-	20,247,667	0.7%	267
2016	13,380,747	-	2,516,000	5,214,340	-	-	21,111,087	0.7%	276
2017	15,311,581	-	2,267,000	3,385,104	-	-	20,963,685	0.7%	271
2018	14,174,077	-	2,011,000	2,923,622	-	6,552,500	25,661,199	0.8%	330
2019	13,510,332	-	1,749,000	2,028,776	-	6,110,894	23,399,002	0.8%	286
2020	13,022,485	-	1,476,000	3,299,813	-	5,660,822	23,459,120	0.7%	295
2021	11,604,809	-	1,198,000	5,259,473	-	5,192,162	23,254,444	0.6%	291
2022	10,268,283	-	909,000	5,968,985	-	4,704,146	21,850,414	0.6%	276

Source: Oconee County Finance Department

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

Notes:

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

The Oconee County General Obligation Bond, Series 2007 for the Keowee Key Fire Special Tax District was not included above until fiscal year 2013. In fiscal year 2017-2018, this bond was refunded with General Obligation Current Refunding Bond, Series 2017. Since this bond was issued for a special tax district, it does not impact the debt limit of the County.

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

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value ¹	Net Bonded Debt Per Capita ²
	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total Net Bonded Debt		
2013	\$ 20,806,549	\$ 1,440,108	\$ 19,366,441	3.76%	\$ 259
2014	17,839,292	1,095,802	16,743,490	3.21%	224
2015	15,645,178	1,682,706	13,962,472	2.66%	184
2016	13,380,747	1,628,323	11,752,424	2.15%	154
2017	15,311,581	352,295	14,959,286	2.67%	194
2018	14,174,077	1,051,918	13,122,159	2.31%	169
2019	13,510,332	1,414,846	12,095,486	2.01%	148
2020	13,022,485	1,717,787	11,304,698	1.98%	142
2021	11,604,809	2,107,893	9,496,916	1.58%	119
2022	10,268,283	2,037,867	8,230,416	1.28%	104

Source: Oconee County Finance Department

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

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable ¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Oconee County	\$ 17,146,268	100.00%	\$ 17,146,268
Overlapping Debt:			
School District of Oconee County	55,223,457	100.00%	55,223,457
<u>Incorporated Municipalities</u>			
Town of West Union	-	0.27%	-
Town of Salem	-	0.13%	-
City of Walhalla	1,075,008	1.45%	15,552
City of Westminster	-	1.06%	-
City of Seneca	2,559,971	6.26%	160,141
<u>Special Purpose Districts</u>			
Unincorp. Fire Special District	-	82.55%	-
Keowee Fire District	370,525	8.29%	30,701
Total Estimated Share of Overlapping Debt			55,429,851
Total Estimated Share of Direct and Overlapping Debt			\$ 72,576,119

Sources: Oconee County Finance Department and Oconee County Auditor

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

OCONEE COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed valuation	\$ 644,580,960
Debt limit - eight percent of total assessed value	\$ 51,566,477
Debt applicable to limit:	
General obligation bonds	10,268,283
Less: amount set aside for repayment of general obligation bonds	<u>(2,037,867)</u>
Debt qualifying for margin	<u>8,230,416</u>
Legal debt margin	<u><u>\$ 43,336,061</u></u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed value of taxable property	\$ 515,557,710	\$ 521,294,691	\$ 525,343,034	\$ 546,294,072	\$ 559,921,105	\$ 568,571,920	\$ 576,631,793	\$ 569,860,163	\$ 599,388,310	\$ 644,580,960
Legal debt limit*	\$ 41,244,617	\$ 41,703,575	\$ 42,027,443	\$ 43,703,526	\$ 44,793,688	\$ 45,500,154	\$ 46,130,543	\$ 45,588,813	\$ 47,951,065	\$ 51,566,477
Net debt applicable to limit	<u>18,531,441</u>	<u>16,054,198</u>	<u>13,282,472</u>	<u>11,157,424</u>	<u>14,454,286</u>	<u>12,712,573</u>	<u>11,785,454</u>	<u>11,096,091</u>	<u>8,973,240</u>	<u>8,230,416</u>
Legal debt margin	<u><u>\$ 22,713,176</u></u>	<u><u>\$ 25,649,377</u></u>	<u><u>\$ 28,744,971</u></u>	<u><u>\$ 32,546,102</u></u>	<u><u>\$ 30,339,402</u></u>	<u><u>\$ 32,787,581</u></u>	<u><u>\$ 34,345,089</u></u>	<u><u>\$ 34,492,722</u></u>	<u><u>\$ 38,977,825</u></u>	<u><u>\$ 43,336,061</u></u>
Total net debt applicable to the limit as a percentage of debt limit	44.93%	38.50%	31.60%	25.53%	32.27%	27.94%	25.55%	24.34%	18.71%	15.96%

Source: Oconee County Auditor and Oconee County Treasurer

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

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

2014 Special Source Refunding Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$ 320,301	\$ 235,000	\$ 85,301	\$ 320,301	100%
2016	320,603	242,000	78,603	320,603	100%
2017	320,706	249,000	71,706	320,706	100%
2018	320,610	256,000	64,610	320,610	100%
2019	319,314	262,000	57,314	319,314	100%
2020	322,847	273,000	49,847	322,847	100%
2021	320,066	278,000	42,066	320,066	100%
2022	323,143	289,000	34,143	323,143	100%

Source: Oconee County Finance Department

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

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

Note:

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

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

Year	Population ¹	Personal Income ³ <i>(in thousands)</i>	Per Capita Personal Income ³	Median Age ¹	School Enrollment ⁴	Unemployment Rate ²
2013	74,551	\$ 2,611,425	\$ 35,029	44.7	10,567	7.5%
2014	74,937	2,643,101	35,271	43.0	10,548	6.1%
2015	75,219	2,788,427	37,071	45.1	10,441	5.7%
2016	75,863	2,940,106	38,755	45.5	10,404	5.0%
2017	76,535	3,064,012	40,034	44.7	10,666	4.3%
2018	77,388	3,241,852	41,891	46.7	10,627	3.3%
2019	78,307	3,436,252	43,882	45.6	10,473	2.7%
2020	79,546	3,579,857	45,004	46.9	10,209	5.2%
2021	80,015	3,801,612	47,511	50.5	10,202	3.6%
2022	79,203	3,801,612	49,645	47.2	10,168	3.2%

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2022				2013			
Company or Organization	Number of Employees	Rank	Percentage of Total County Employment	Company or Organization	Number of Employees	Rank	Percentage of Total County Employment
School District of Oconee County	1,530	1	4.65%	School District of Oconee County	1,607	1	5.17%
Prisma Health	1,310	2	3.98%	Duke Energy Corporation	1,459	2	4.69%
Duke Energy Corp	1,300	3	3.95%	Oconee Medical Center	1,409	3	4.53%
Itron, Inc.	1,000	4	3.04%	Schneider Electric - Square D	600	4	1.93%
BorgWarner	1,000	5	3.04%	BorgWarner Torq Systems	590	5	1.90%
Schneider Electric	600	6	1.82%	Covidien	578	6	1.86%
JTECKT	550	7	1.67%	Itron, Inc.	550	7	1.77%
Oconee County Government	517	8	1.57%	Oconee County Government	493	8	1.59%
BASF	400	9	1.22%	Koyo Bearings USA, Inc	460	9	1.48%
Greenfield Industries	350	10	1.06%	BASF Catalysts, LLC	410	10	1.32%
	<u>8,557</u>		26.02%		<u>8,156</u>		26.25%

Source: SC Appalachian Council of Governments

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administrative Services	-	11	11	-	-	-	-	-	-	-
Administrator	3	2	2	3	5	3	2	3	3	2
Assessor	18	18	19	17	16	16	16	14	14	15
Auditor	7	7	7	7	7	6	7	7	8	8
County Attorney	-	-	-	-	-	-	-	2	1	1
County Council	1	1	1	1	1	1	1	1	1	1
Delinquent Tax Collector	3	3	3	3	3	3	3	3	3	3
Facilities Maintenance	11	11	12	12	12	13	13	15	14	12
Finance	6	-	-	7	7	6	7	6	6	5
Human Resources	5	-	-	4	4	3	3	3	3	4
Information Technology	10	7	5	5	5	6	5	5	6	6
Planning	-	-	-	-	-	-	3	3	3	4
Procurement	2	2	2	2	2	2	2	2	2	2
Register of Deeds	4	4	4	4	4	4	4	4	4	4
Treasurer	7	7	6	6	6	6	6	6	7	7
Vehicle Maintenance	14	14	13	14	14	14	14	14	14	13
Voter Registrations and Elections	2	2	2	2	2	2	2	2	2	2
Public Safety										
Animal Control	6	6	6	6	6	6	7	7	6	7
Building Codes	-	-	-	-	-	-	5	6	7	7
Communications	21	21	21	21	21	21	21	22	23	20
Community Development	9	9	11	12	11	10	8	-	-	-
Coroner	1	1	1	1	1	1	2	2	3	3
Detention Center	35	36	50	48	47	48	47	45	42	39
Emergency Services	3	3	3	21	21	26	35	34	33	35
Rural Fire	17	17	17	-	-	-	-	-	-	-
Sheriff's Office	91	91	94	91	100	100	112	118	106	113
Transportation										
Airport	4	4	4	4	4	5	5	8	8	8
Roads and Bridges	37	37	38	38	37	35	36	31	29	29

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial Services										
Clerk of Court	10	10	11	12	12	12	12	12	12	12
Magistrate	9	9	9	9	9	9	9	9	11	10
Probate Court	6	6	6	6	6	6	5	5	5	4
Solicitor	10	10	10	9	9	13	13	13	13	12
Health and Welfare										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veterans' Affairs	3	3	3	3	3	3	3	3	3	3
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	36	36	38	38	36	36	35	35	31	33
Culture and Recreation										
Library	18	18	18	18	18	19	19	19	20	19
Parks, Recreation and Tourism	13	13	14	10	17	17	17	18	19	20
Economic Development	4	2	4	3	-	4	4	5	3	2
Enterprise Fund										
Rock Quarry	15	15	17	16	17	19	19	19	18	18
Oconee FOCUS	-	-	3	3	3	2	-	-	-	-
Total	<u>443</u>	<u>438</u>	<u>467</u>	<u>458</u>	<u>468</u>	<u>479</u>	<u>504</u>	<u>503</u>	<u>485</u>	<u>485</u>

Source: Oconee County Finance Department

Note:

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

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administrative Services										
Accounts payable disbursements	-	14,770	-	-	-	-	-	-	-	-
Payroll disbursements	-	12,542	-	-	-	-	-	-	-	-
Employment applications processed	-	1,483	-	-	-	-	-	-	-	-
Employment terminations processed	-	94	-	-	-	-	-	-	-	-
Assessor										
Assessment appeals processed	730	650	716	747	1,224	1,216	465	374	160	80
Deeds Processed	4,885	5,474	6,502	7,405	6,802	5,813	8,540	7,667	10,312	10,716
Legal Residence Applications	1,428	2,692	3,500	2,606	2,502	2,880	1,855	2,000	2,000	n/a
Department of Revenue Applications	845	894	1,148	951	850	1,423	n/a	n/a	n/a	n/a
Agricultural Applications	1,100	1,250	1,400	1,320	980	798	397	500	500	n/a
Building Permits Processed	985	808	1,070	838	1,130	1,078	1,089	1,107	1,339	1,498
Assessable Transfers of Interest	1,785	2,404	2,575	2,660	2,895	3,116	3,982	4,000	4,000	n/a
Plats	574	548	691	701	842	753	779	687	861	800
Home Site Visits	14,430	14,500	14,650	14,400	18,957	n/a	n/a	n/a	n/a	n/a
Auditor										
Real estate, vehicle, and business property notices	149,251	79,063	152,947	155,622	160,376	157,818	158,617	153,888	160,000	161,469
Temporary tags	1,033	984	4,885	5,100	5,292	979	458	-	-	-
Board of Assessment and Appeals										
Appeals filed	15	-	9	34	6	19	3	2	3	2
Hearings held	4	-	4	14	1	3	1	1	1	-
County Council										
Regular meetings	22	19	21	22	22	22	23	22	20	13
Special meetings	7	7	7	5	5	7	8	7	6	7
Delinquent Tax Collector										
Records processed	6,680	6,156	7,100	6,866	5,884	6,384	6,792	5,273	7,203	5,369
Finance										
Accounts payable disbursements	10,012	-	7,811	4,705	6,262	5,263	10,643	4,356	4,506	3,886
Payroll disbursements	13,235	-	12,770	13,086	13,438	13,335	13,763	13,910	13,985	14,429
Human Resources										
Employment applications processed	1,510	-	2,133	1,709	2,091	1,477	2,665	2,660	1,661	1,476
Employment terminations processed	93	-	68	47	75	44	81	70	70	129
Procurement										
Number of requests for proposals (RFP)	15	3	18	18	18	2	-	5	1	16
Number of purchase orders	820	923	687	587	587	352	388	420	456	504
Register of Deeds										
Recorded documents	16,262	16,695	16,097	16,435	16,435	18,372	18,420	17,939	21,791	20,752
Treasurer										
Tax notices mailed	193,569	203,247	144,604	140,400	144,719	147,103	157,772	159,487	163,698	166,180
Vehicle Maintenance										
Repair orders processed	2,225	2,460	2,409	2,686	2,693	3,209	3,388	3,301	3,129	2,699

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government - continued										
Voter Registrations and Elections										
Current registered voters	46,000	49,000	48,476	49,486	51,069	51,395	52,000	58,000	56,045	53,094
Public Safety										
Animal Control										
Animals received	4,416	3,808	3,820	3,812	3,542	3,137	3,578	3,638	3,288	1,803
Animals adopted	1,079	1,143	1,160	1,238	1,095	1,126	1,273	1,472	1,004	1,047
Community Development										
Land use/Subdivision reviews	420	450	522	525	786	867	n/a	n/a	n/a	n/a
Permits issued	1,200	1,483	1,792	2,208	2,372	2,194	2,551	2,461	2,657	2,874
Coroner (based on a calendar year)										
Deaths	641	675	700	672	682	762	781	733	901	938
Detention Center										
Average daily population	135	157	162	158	174	178	170	190	165	210
Emergency Services (based on a calendar year)										
Medical rescue call responses	5,022	4,807	5,261	3,626	3,605	3,702	3,182	3,901	5,100	6,778
Special rescue call responses	31	43	79	51	63	45	126	104	144	41
Fire call responses	5,670	5,670	4,504	3,094	2,462	3,450	4,194	3,413	3,840	4,410
Hazardous material call responses	n/a	-	13	13	10	4	45	200	467	527
Sheriff's Office										
Service calls	45,477	48,742	48,742	50,004	81,493	48,978	90,050	61,233	65,711	100,000
Arrest warrants served	3,353	3,291	3,291	2,676	3,000	3,375	2,428	2,500	2,537	3,000
Transportation										
Roads and Bridges										
Work orders	8,709	12,189	5,429	3,962	9,332	6,169	4,338	5,000	3,129	2,968
Tons of gravel hauled	19,995	18,826	31,321	29,660	26,539	27,761	29,935	30,000	26,139	15,440
Judicial Services										
Clerk of Court										
Foreclosure auctions	201	140	135	118	118	103	131	100	51	78
Cases processed	4,796	5,493	4,893	3,878	5,307	5,881	7,434	7,960	5,954	6,109

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Judicial Services - continued										
Magistrate										
Magistrate traffic cases	7,796	10,700	2,668	2,792	2,792	2,993	8,421	6,600	4,276	6,370
Magistrate criminal cases	11,632	11,042	10,958	7,366	7,366	8,601	8,751	9,700	8,562	9,127
Health and Welfare										
Department of Social Services										
Food stamps cases	5,006	5,102	5,200	4,555	4,555	4,260	n/a	3,515	n/a	4,055
Family independence cases	106	136	170	107	107	84	n/a	129	n/a	192
Child protective services investigations	318	334	677	635	635	784	n/a	756	n/a	719
Adult protective services investigations	9	41	110	125	125	192	n/a	239	n/a	123
Children in foster care	94	91	54	120	120	110	n/a	111	n/a	62
Public Works										
Solid Waste										
Municipal solid waste (MSW) tons	36,982	37,520	37,691	39,309	39,036	43,591	43,852	48,957	54,914	56,429
Construction and demolition (C&D) tons	16,023	18,165	22,133	22,763	24,694	25,252	26,800	44,310	59,006	47,112
Culture and Recreation										
Library										
Computer users	54,459	47,665	42,803	36,164	31,456	35,982	18,738	12,332	8,568	9,286
Registered patrons	44,640	47,417	33,866	41,499	42,514	44,556	42,332	43,865	46,098	47,499
Enterprise Fund										
Rock Quarry										
Tons shot	477,732	497,295	495,622	532,797	568,818	565,978	613,578	668,291	658,954	665,817
Tons sold/used	421,468	381,182	482,620	560,809	508,798	508,798	616,011	591,409	611,473	631,223

Source: Oconee County Finance Department

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

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Nondepartmental										
Land (acres)	17.912	18.846	20.581	20.113	20.113	20.113	20.113	20.613	20.613	20.613
Buildings	4	4	8	7	7	7	7	7	7	7
Heavy equipment	2	4	4	3	3	3	3	3	3	3
Vehicles	39	37	38	55	33	33	33	38	41	33
Culture and Recreation										
Nondepartmental										
Land (acres)	-	-	-	-	29	29.423	29.423	29.423	29.423	29.423
Buildings	-	-	-	-	1	1	1	1	1	1
Library										
Land (acres)	4.298	4.298	4.298	3.291	4.471	4.471	4.471	4.471	4.471	4.471
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles	3	3	3	3	4	4	3	3	3	3
Parks, Recreation, and Tourism										
Land (acres)	119.171	119.171	119.171	119.171	119.17	119.17	119.17	331.861	331.861	331.861
Buildings	18	18	17	16	18	18	18	18	20	20
Heavy equipment	5	4	4	4	5	5	4	4	4	4
Vehicles	12	14	15	14	11	15	11	12	15	11
Economic Development										
Economic Development										
Land (acres)	3.33	2.83	2.83	61.541	60.421	60.421	60.421	60.421	60.421	60.421
Buildings	2	1	1	-	1	1	1	1	1	1
Vehicles	1	1	1	2	2	2	2	2	2	2
Industrial Development Land for Resale (acres)										
Land - Oconee Industrial and Technology Park	398.107	397.16	397.160	397.16	359.497	317.29	317.29	291.299	291.299	266.959
Land - Golden Corner Commerce Center	366.8	360.87	360.870	360.87	360.87	360.87	360.87	360.87	360.87	360.87
Land - Oconee County Commerce Center Park	2.11	13.38	13.381	13.381	13.38	11.271	11.271	11.271	11.271	11.271
Land - Seneca Rail Park	111	111.082	111.082	111.082	111.08	111.082	111.082	111.082	111.082	111.082
Health and Welfare										
Nondepartmental										
Land: (acres)										
Health clinic	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521
Nursing home	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Buildings:										
Health clinic	1	1	1	1	1	1	1	1	1	1
Nursing home	1	1	1	1	1	1	1	1	1	1

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Department of Social Services										
Land (acres)	9.472	9.472	9.472	9.472	9.47	9.472	9.472	9.472	9.472	9.472
Buildings	1	1	1	1	1	1	1	1	1	1
Health Department										
Land (acres)	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198
Buildings	2	2	1	1	1	1	1	1	1	1
Judicial Services										
Nondepartmental										
Land (acres)	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785
Buildings	2	2	2	2	2	2	2	2	2	2
Magistrate										
Land (acres)	0.81	0.81	0.81	0.8	0.8	0.81	0.81	2.274	2.274	2.274
Buildings	1	1	1	1	1	1	1	3	3	3
Vehicles	2	3	3	3	3	3	3	3	3	3
Probate Court										
Vehicles	-	1	1	1	1	1	1	1	1	1
Solicitor										
Vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety										
Nondepartmental										
Land (acres)	35.005	35.565	35.565	35.565	35.565	35.565	35.565	36.573	36.573	36.573
Buildings	8	8	9	10	10	8	8	8	7	7
Vehicles	9	9	9	10	11	11	12	10	9	9
Animal Control										
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Buildings	1	1	1	1	1	1	1	2	2	2
Vehicles	5	6	8	8	7	6	5	5	5	5
Coroner										
Land (acres)	0.25	0.25	-	-	-	-	-	-	-	-
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	2	2	2	2	2	2
Emergency/Fire Services ¹										
Land (acres)	3	3	3.102	4.112	5.502	5.502	5.502	5.502	5.502	7.502
Buildings	5	6	6	6	8	8	10	10	10	10
Rescue/fire boats	3	3	3	3	8	5	5	6	7	7
Vehicles	114	121	125	186	115	116	126	125	118	120
Probation and Parole										
Land (acres)	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	-
Buildings	1	1	1	1	1	1	1	1	1	-
Sheriff's Department										
Aircraft	1	1	1	1	1	1	1	1	1	1
Patrol boats	3	3	3	3	5	5	4	4	3	3
Vehicles	123	136	137	145	148	145	150	144	142	146

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Works										
Solid Waste ^{2, 3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Heavy equipment	56	64	66	67	42	68	51	43	47	59
Vehicles	15	15	15	15	14	14	14	14	13	13
Transportation										
Airport										
Land (acres)	272.490	272.490	275.070	275.070	282.14	282.1386	282.1386	282.1386	293.3386	311.719
Buildings	5	5	5	5	5	5	5	5	5	5
Heavy equipment	1	2	3	3	3	3	4	4	5	5
Vehicles	6	6	7	6	4	4	5	5	4	4
Roads and Bridges										
Land (acres)	316.06	316.06	316.06	316.06	316.06	316.064	316.064	316.064	316.064	316.064
Buildings	4	4	4	4	4	4	4	4	4	3
Heavy equipment	60	64	63	68	71	67	67	68	71	70
Vehicles	45	47	46	49	44	42	42	42	42	44
Enterprise Funds										
Rock Quarry										
Land (acres)	28.29	29.27	29.27	30.131	35.629	35.629	55.839	61.789	66.859	72.369
Buildings	3	3	3	3	3	3	3	3	3	3
Heavy equipment	17	17	20	21	22	26	29	31	27	37
Vehicles	11	10	10	10	11	10	10	10	10	12
Oconee FOCUS										
Vehicles	1	1	1	1	-	-	-	-	-	-

Source: Oconee County Finance Department

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

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

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

COMPLIANCE SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Oconee County, South Carolina** (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 10, 2023. Our report also includes a reference to other auditors who audited the financial statements of the Keowee Fire Tax District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report includes a reference to an emphasis of matter relative to the change in accounting principle resulting from the implementation of GASB Statement No. 87, *Leases*.

Report on Internal Control over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Columbia, South Carolina
February 10, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Oconee County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oconee County, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 10, 2023

OCONEE COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>				
(Passed through the SC Department of Social Services)				
Child and Adult Care Food Program	10.558	N/A	\$ 18,416	\$ -
(Passed through the SC State Treasurer's Office)				
Forest Service Schools and Roads Cluster:				
Secure Payments for States and Counties Containing Federal Land	10.665	N/A	33,737	-
(Passed through the Natural Resources Conservation Services)				
Emergency Watershed Protection Program	10.923	NR214639XXXXC009	2,655	-
Total U.S. Department of Agriculture			<u>54,808</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
(Direct award)				
Payment in Lieu of Taxes (PILOT) Program	15.226	N/A	181,193	-
Total U.S. Department of the Interior			<u>181,193</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
(Direct award)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-15PBJA-21-GG-01828-JAGX	13,382	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1152	4,165	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2020-MO-BX-0045	33,452	-
Bulletproof Vest Partnership Program	16.607	N/A	14,175	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	N/A	48,366	-
(Passed through the Prisma Health - Upstate)				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	N/A	5,518	-
Total U.S. Department of Justice			<u>119,058</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
(Direct award)				
Airport Improvement Program	20.106	3-45-0016-024-2018	3,533	-
Airport Improvement Program	20.106	3-45-0016-025-2019	428,401	-
Airport Improvement Program	20.106	3-45-0016-026-2019	196,176	-
Airport Improvement Program	20.106	3-45-0016-027-2020	784,842	-
Airport Improvement Program	20.106	3-45-0016-030-2021	274,211	-
Airport Improvement Program	20.106	3-45-0016-034-2022	5,040	-
COVID-19 Airport Improvement Program	20.106	3-45-0016-028-2020	69,000	-
COVID-19 Airport Improvement Program	20.106	3-45-0016-031-2021	23,000	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2021-HS-32-21	18,119	-
State and Community Highway Safety	20.600	2JC21010	371	-
State and Community Highway Safety	20.600	2JC22010	5,001	-
State and Community Highway Safety	20.600	PT-2022-HS-32-22	48,441	-
(Passed through the SC Emergency Management Division)				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK319400338HMEP	25,000	-
Total U.S. Department of Transportation			<u>1,881,135</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
(Direct award)				
COVID-19 Coronavirus Relief Fund	21.019	N/A	19,185	-
COVID-19 State and Local Fiscal Recovery Program	21.027	N/A	2,150,551	-
Total U.S. Department of the Treasury			<u>2,169,736</u>	<u>-</u>
<u>Institute of Museum and Library Services</u>				
(Passed through the SC State Library)				
Grants to States	45.310	IID-20-326	1,000	-
COVID-19 Grants to States	45.310	IID-ARPA-006	25,036	-
Grants to States	45.310	IID-21-334	325	-
Total Institute of Museum and Library Services			<u>26,361</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	20EMPG01	10,994	-
Emergency Management Performance Grants	97.042	21EMPG	55,446	-
Emergency Management Performance Grants	97.042	21EMPG-S01	18,921	-
Hazard Mitigation Grant	97.039	FEMA-4166-DR-SC	10,838	-
Hazard Mitigation Grant	97.039	FEMA-4394-DR-SC	13,917	-
(Direct award)				
Disasters Grants - Public Assistance	97.036	N/A	13,392	-
Disasters Grants - Public Assistance	97.036	N/A	11,333	-
Disasters Grants - Public Assistance	97.036	N/A	86,701	-
Disasters Grants - Public Assistance	97.036	N/A	13,392	-
COVID-19 Disasters Grants - Public Assistance	97.036	N/A	22,173	-
Assistance to Firefighters Grant Program	97.044	EMW-2020-FG-14238	998,636	-
Total U.S. Department of Homeland Security			<u>1,255,743</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
(Passed through the SC Department of Social Services)				
Child Support Enforcement - Transaction Reimbursement	93.563	N/A	8,976	-
(Passed through the SC Department of Alcohol and Other Drug Abuse Services)				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	1,550	-
Total U.S. Department of Health and Human Services			<u>10,526</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,698,560</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oconee County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is described in Note 1 to the County's basic financial statements.

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2022.

NOTE 3. NON-CASH AWARDS AND LOANS

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

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

Significant deficiencies identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

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

Significant deficiencies? ☐ Yes ☒ No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation Airport Improvement Program
21.027	U.S. Department of the Treasury COVID-19 State and Local Fiscal Recovery Program
97.044	U.S. Department of Homeland Security Assistance to Firefighters Grants Program

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

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV SCHEDULE OF PRIOR YEAR FINDINGS

None reported.

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APPENDIX B

**FORM OF
BOND COUNSEL'S OPINION**

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November [], 2023

Oconee County, South Carolina
Walhalla, South Carolina

\$25,000,000
OCONEE COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2023

Ladies and Gentlemen:

King Kozlarek Law LLC (“King Kozlarek Law”) has acted as bond counsel to Oconee County, South Carolina (“County”), in connection with the issuance of its \$25,000,000 General Obligation Bonds, Series 2023 (“Bond”). In that capacity, King Kozlarek Law has examined a certified copy of the documents executed and delivered, of even date with this letter, as part of the consummation of the referenced transaction (“Closing Documents”) and other proofs submitted to King Kozlarek Law including the Constitution and laws of the State of South Carolina (“State”).

The Bonds are in fully registered form dated November 2, 2023 numbered from R-1 upward, in the denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year, bear interest from their date payable semiannually thereafter on each April 1 and October 1, beginning on April 1, 2024, and will mature in successive annual installments on April 1 in each of the years and in the principal amounts as stated in the Official Statement dated October 18, 2023, relating to the Bonds (“Official Statement”).

The Bonds recite that they are issued pursuant to and in accordance with the Constitution and laws of the State, including Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended (“Act”); and Section 11-27-40 of the Code of Laws of South Carolina, 1976, as amended; and an Ordinance duly enacted September 5, 2023 by the County Council of the County (“County Council”).

As to questions of fact material to this opinion, King Kozlarek Law has relied on the Closing Documents and other certifications of public officials furnished without undertaking to verify the same by independent investigation.

In rendering the opinions expressed below, King Kozlarek Law does not purport to be an expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based on the stated examination and assumptions, and subject to the qualifications and limitations set out below, King Kozlarek Law is of the opinion, under existing law:

1. The Bonds have been duly authorized and executed by the County and is a valid and legally binding general obligation of the County, enforceable according to its terms.

2. The full faith, credit, taxing power, and resources of the County are irrevocably pledged for the payment of the principal of and interest on the Bonds as they mature and for the creation of a sinking fund as may be necessary to provide for the prompt payment thereof. At the issuance of the Bonds, there shall be levied annually by the County Auditor and collected by the County Treasurer in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they mature and to create a sinking fund as may be necessary therefor. The proceeds of the levy will be held by the County Treasurer, in an account separate from all other funds of the County (but which may contain other funds with respect to other general obligation bonds of the County) and the amounts in such account shall be used solely for the payment of the principal of and interest on the Bonds and any other outstanding general obligation bonds of the County.

3. Under existing statutes, rulings, and court decisions, and under applicable regulations, interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (“Code”), that must be satisfied subsequent

to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. The County has designated the Bonds as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institutions’ interest expense allocable to interest on the Bonds.

5. The Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general, or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate, or transfer taxes; but the interest thereon may be includable for certain franchise fees or taxes.

The rights of the holders of the Bonds and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, as well as other equitable principles.

Except as set forth above, King Kozlarek Law expresses no opinion in connection the accuracy, adequacy, or completeness of the Official Statement. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted, or relied on by any other person or entity for any other purpose, without King Kozlarek Law’s prior written consent in each instance. King Kozlarek Law disclaims any obligation to update the opinions expressed above for events occurring or coming to King Kozlarek Law’s attention after the date of this letter.

Very truly yours,

KING KOZLAREK LAW LLC

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking ("Undertaking") is executed and delivered by Oconee County, South Carolina ("County"), pursuant to Securities and Exchange Commission Rule 15c2-12 ("Rule") and in connection with the issuance of \$25,000,000 Oconee County General Obligation Bonds Series 2023 ("Bonds"). The Bonds are issued under the following conditions:

1. To provide funds to acquire, construct, improve, expand, install, and equip the Capital Projects, the County has provided for the issuance of the Bonds, dated, and delivered of even date with this Undertaking, under and by the terms of Bond Ordinance No. 2023-13, duly enacted on September 5, 2023, by the County Council of the County.

3. This Undertaking is being executed and delivered by the County for the benefit of the holders and Beneficial Owners of the Bonds and to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

In connection with the issuance of the Bonds, the County represents, covenants, and agrees as follows:

SECTION 1. Definitions. The following capitalized terms have the following meanings:

"Accounting Principles" means generally accepted accounting principles as applicable to governmental entities from time to time by the Governmental Accounting Standards Board.

"Annual Information Report" means any Annual Information Report provided by the County pursuant to, and as described in, Sections 2 and 3 of this Undertaking.

"Beneficial Owner" means any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding any Bonds through nominees, depositories or other intermediaries).

"Business Day" has the meaning assigned to such term in the Resolution.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosure of the MSRB. Until otherwise designated by the MSRB or SEC, filings with the MSRB are to be made through the EMMA website currently located at <http://emma.msrb.org>.

"Listed Events" means any of the events listed in Section 4(a) of this Undertaking.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Official Statement" means the final Official Statement relating to the issuance of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"State" means the State of South Carolina.

Capitalized terms not otherwise defined herein have the meanings set forth in the Official Statement.

SECTION 2. Provision of Annual Information Reports. For so long as shall be required by the Rule:

(a) The County shall provide or cause to be provided not later than February 1 following the close of its fiscal year, commencing with the report for the fiscal year ended June 30, 2023, to the MSRB in electronic format, as prescribed by the MSRB (currently through EMMA) and accompanied by identifying information as prescribed by the MSRB, an Annual Information Report which is consistent with the requirements of Section 3 of this Undertaking. The Annual Information Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information according to applicable MSRB and SEC requirements; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Information Report and later than the date required

above for the filing of the Annual Information Report if they are not available by that date. If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(b).

(b) If the County is unable to provide to the MSRB an Annual Information Report by the date required in Section 2(a), it shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Schedule I. If any of the audited financial statements required to be included in the Annual Information Report are not available by the time the Annual Information Report is required to be filed pursuant to Section 2(a), the Annual Information Report shall contain unaudited financial statements and the audited financial statements shall be filed with the MSRB in the same manner as the Annual Information Report when they become available.

SECTION 3. Content of Annual Information Reports. The County's Annual Information Report shall contain or include by reference the following:

(a) The audited financial statements of the County for the prior fiscal year, prepared according to Accounting Principles, and which shall be accompanied by an audit report, if available at the time of submission of the Annual Information Report to EMMA pursuant to Section 2(a) above, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with Accounting Principles.

(b) If Accounting Principles have changed since the last Annual Information Report was submitted pursuant to this certificate and if such changes are material to the County, a narrative explanation describing the impact of such changes on the County.

(c) The County's budget for the then-current fiscal year.

(d) To the extent such items are not included in the financial statements referred to in Section 2 above, an update of the tables (but not the narrative portion) included in the Official Statement under the headings:

"DEBT STRUCTURE - Outstanding General Obligation Indebtedness";

"CERTAIN FISCAL MATTERS - Tax Collection Record";

"CERTAIN FISCAL MATTERS - Assessed Values of the County";

"CERTAIN FISCAL MATTERS - Ten Largest Taxpayers"; and

Computation of the legal debt margin for general obligation bonds as set forth in the Official Statement under the heading "DEBT STRUCTURE - Legal Debt Limit of the County".

The County may modify the presentation of any part of the annual information required by this section if such changes are immaterial to an understanding of the substantive nature of the data provided. The County may further omit or modify any part of the annual information required by this section if the operations to which it relates have been discontinued or materially changed, in which case the County will include an explanation to that effect as part of the annual information for the year in which such event first occurs.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an "obligated person" (as defined by the Rule), which have been filed according to the Rule and other rules of the Securities Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

SECTION 4. Reporting of Significant Events. For so long as shall be required by the Rule:

(a) The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (each a "Listed Event"), within 10 Business Days from that occurrence, and file a notice of such occurrence with the MSRB:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on the debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

7. Modifications to rights of bondholders, if material;

8. Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent on the occurrence of an event);

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar event of the County

(For the purposes of the events identified in item no. 12, a listed event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);

13. The consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such actions or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or registrar/paying agent, or a change in the name of a registrar/paying agent, if material;

15. Incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect bondholders, if material; or

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

(For purposes of the events identified in items no. 15 and 16, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with items no. 15 and 16, the County intends to apply the guidance provided by the Rule or other applicable federal securities law, including, for example, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.).

(b) The County shall give, or cause to be given, voluntary notice of the issuance of any County general obligation debt, which is not subject to a voter-approved referendum, regardless of the materiality or principal amount thereof, within 10 Business Days after the issuance of that debt and file a notice of such occurrence with the MSRB.

SECTION 5. Termination of Reporting Obligation. With respect to the Bonds, the County’s obligations under this Undertaking shall terminate on the defeasance, prior redemption, or payment in full of all the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 4.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the County may amend this Undertaking, and any provision of this Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 2(a), 3 or 4(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of owners, or (ii) does not in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or Beneficial Owners.

(d) In the event of any amendment or waiver of a provision of this Undertaking, the County shall describe such amendment in the next Annual Information Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of Accounting Principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the Accounting Principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 4, and (ii) the Annual Information Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new Accounting Principles and those prepared on the basis of the former accounting principles.

SECTION 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Report or notice required to be filed pursuant to this Undertaking, in addition to that which is required by this Undertaking. If the County chooses to include any information in any Annual Information Report or notice in addition to that which is specifically required by this Undertaking, the County shall have no obligation under this Undertaking to update such information or include it in any future Annual Information Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 8. Default. This Undertaking shall be solely for the benefit of the owners and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of the Undertaking by the County shall be limited, to the extent permitted by law, to a right of owners and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the County of its obligations under the Undertaking. Any individual owner or Beneficial Owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require the County to provide or cause to be provided a pertinent filing if such filing is due and has not been made. Any such proceedings to require the County to perform any other obligation under the Undertaking (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by a trustee or registrar/paying agent appointed by the owners or Beneficial Owners of not less than 25 percent in principal amount of the Bonds.

SECTION 9. Beneficiaries. This Undertaking shall inure solely to the benefit of the County, the Underwriter and owners and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 10. Dissemination Agent. The County may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and the County may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not a designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 11. Severability. In case any section or provision of this Undertaking, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be illegal or invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid

application thereof, and each such section provision, covenant, stipulation, obligation, agreement, act or action, or part hereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 12. State-Mandated Continuing Disclosure. In addition to any other requirements in this Undertaking, the County agrees (to the extent applicable), pursuant to Section 11-1-85 of the Code of Laws of South Carolina, as amended, to file with the MSRB (a) the County's annual independent audit within 30 days of receipt and (b) event-specific information within 30 days of an event adversely affecting more than five percent of the County's revenue or tax base. The County expects that, in meeting the requirements of Sections 3 and 4 of this Undertaking, the County will also meet the requirements of this Section 12; however, to the extent the County is required to file certain information according to the referenced State law, which the County is not required to file according to the Rule or other provision of this Undertaking, the County intends to provide that information to the MSRB.

SECTION 13. Governing Law. This Undertaking shall be deemed to be an agreement made under the Rule and the laws of the State and for all purposes shall be governed by and construed according to the Rule and the laws of the State (without regard to the conflicts of law provisions thereof).

IN WITNESS WHEREOF, the County has caused this Undertaking to be executed by its duly authorized representative, all as of the date first above written.

OCONEE COUNTY, SOUTH CAROLINA

Chairman, County Council

Date: November 2, 2023

SCHEDULE I
NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF
FAILURE TO FILE ANNUAL REPORT

Name of Issuer: OCONEE COUNTY, SOUTH CAROLINA
Name of Bond Issue: \$25,000,000 GENERAL OBLIGATION BONDS
SERIES 2023

Date of Official Statement: October 18, 2023
Date of Issuance: November 2, 2023

CUSIPs:

675583 HM3
675583 HN1
675583 HP6
675583 HQ4
675583 HR2
675583 HS0
675583 HT8
675583 HU5
675583 HV3
675583 HW1
675583 HX9
675583 HY7
675583 HZ4
675583 JA7
675583 JB5
675583 JC3
675583 JD1

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the referenced Bonds as required by Section 3 of the Continuing Disclosure Undertaking dated October 18, 2023. The County anticipates that the Annual Report will be filed on or before _____

_____.

OCONEE COUNTY, SOUTH CAROLINA

Date: _____

Chief Financial Officer