Oconee taps $7.8 million from reserves



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WALHALLA — Oconee County has tapped more than $7 million from its reserves to cover operational costs because tax collections are lagging, county records show.



Nowell

A General Fund finance report recently released by Administrator Scott Moulder shows Oconee spent $10.9 million during the first quarter of fiscal 2011-12 that began July 1. Expenditures through the first quarter ending Sept. 30 amount to 25 percent of the $43.1 million General Fund Budget.

During the same period, revenues collected total $2.4 million or 7 percent of the budgeted amount.

To cover the shortfall in revenues, the county pulled $7.8 million from investment accounts to cover what has not been collected.

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RESERVES: Oconee pulled $10 million from CD last year

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When the new fiscal year began, Oconee had $27.3 million in interest-accruing accounts.

Normally, revenues lag during the first two quarters because collections usually don't pick up until mid-December, and peak in January when taxpayers rush to avoid paying penalties on their property taxes.

However, County Treasurer Greg Nowell said Friday that he does not recall the county having to tap so heavily into its reserves this early during his four years in office.

Last year the county pulled $10 million from a CD (certificate of deposit) account to help get through the sluggish revenue collection period, but almost half of that was borrowed by the School District of Oconee to cover operating expenses.

Prior to last year, Nowell said reserves were not touched during his watch.

The recent trend in tapping reserves during the first half of the fiscal year appears to correspond to increased spending by county government not seen in years past.

A breakdown of spending by departments shows that Direct Aid already has used $1.7 million, or 59 percent of its $2.8 million budget for the year.

The Sheriff's Office also has spent $1.7 million through the first quarter, but the amount represents 27 percent of its $6.4 million budget.

On a percentage basis, the Public Defender's Office is quickly going through its $150,000 budget by spending 50 percent.

Funds tapped from reserves to cover expenses are returned to investment accounts once revenue collections pick up.

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