

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended
June 30, 2016

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2016
TABLE OF CONTENTS

	Exhibit	Page
Financial Section:		
Independent Auditor's Report		
Management's Discussion and Analysis		I-IX
Basic Financial Statements:		
Statement of Net Position	1	1
Statement of Activities	2	2
Balance Sheet - Governmental Funds	3	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3.1	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4.1	6-7
Statement of Net Position - Proprietary Funds	5	8
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	6	9
Statement of Cash Flows - Proprietary Funds	7	10
Statement of Fiduciary Assets and Liabilities	8	11
Notes to the Financial Statements		12-41
	Schedule	Page
Required Supplementary Information:		
Retirement Plan - Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions	1	42
Other Postemployment Benefits - Schedule of Funding Progress	2	43
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (by Department) and Actual - General Fund	3	44
Reconciliation of Budget Expenditures by Department to GAAP Basis Budget - General Fund	3.1	45
Notes to Required Supplementary Information		46

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2016
TABLE OF CONTENTS

	Schedule	Page
Supplementary Information:		
Governmental Funds:		
Nonmajor Governmental Funds:		
All Nonmajor Governmental Funds - Combining Balance Sheet	4	47
Nonmajor Governmental Funds - Special Revenue Funds - Combining Balance Sheet	5	48
Nonmajor Governmental Funds - Capital Projects Funds Combining Balance Sheet	6	49
All Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	7	50
Nonmajor Governmental Funds - Special Revenue Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	8	51
Nonmajor Governmental Funds - Capital Projects Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	9	52
Nonmajor Proprietary Funds:		
Nonmajor Proprietary Funds - Combining Schedule of Net Position	10	53
Nonmajor Proprietary Funds - Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	11	54
Nonmajor Proprietary Funds - Combining Schedule of Cash Flows	12	55
Fiduciary Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	13	56
Combining Schedule of Changes in Fiduciary Net Position	14	57-58
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 <i>Government Auditing Standards</i>		59-60
Schedule of Special Purpose Local Option Sales Tax	15	61-62
Schedule of State Contractual Assistance	16	63
Certification of 9-1-1 Expenditures		64-66

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Oconee County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oconee County Health Department, which represents 100% of the assets, net position and revenues of the component unit column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the Oconee County Health Department, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Oconee County, Georgia as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Retirement Plan – Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions, the Other Postemployment Benefits - Schedule of Funding Progress, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and information on pages I through IX, and pages 42-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

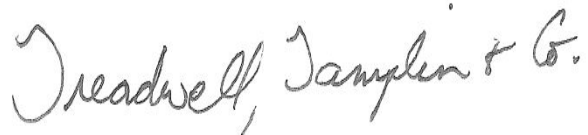
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, Georgia's financial statements as a whole. The combining and individual fund schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedule of State Contractual Assistance, and the Certification of 9-1-1 Expenditures, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, and the Schedule of State Contractual Assistance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Certification of 9-1-1 Expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2017 on our consideration of Oconee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, Georgia's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Dreadwell, Sampson & Co." The signature is written in dark ink and is positioned in the center of the page.

Madison, Georgia
January 31, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

**OCONEE COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2016**

OCONEE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

Management's discussion and analysis provides an objective and easily readable analysis of the government's financial activities. The analysis provides summary financial information for Oconee County and should be read in conjunction with the Government's financial statements.

Overview of the Financial Statements

The Government's discussion and analysis is intended to serve as an introduction to Oconee County Government's financial statements which include government-wide and fund statements as well as notes to the financial statements. This report also contains other supplementary financial information in addition to the basic financial statements that may be of interest to the reader.

The Government's basic financial statements are comprised of three components:

1. Government-wide financial statements present an overall picture of the Government's financial position and results of operations.
2. Fund financial statements present financial information for the Government's major funds.
3. Notes to the financial statements provide additional information concerning the Government's finances that are not disclosed in the Government-wide or Fund financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide a broad overview of the financial position of Oconee County and are similar to private-sector financial statements. They include a statement of net position and a statement of activities. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by sales taxes, property taxes, federal and state grants, and charges for services and fines. Business-type activities are supported by charges to the users of those activities.

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2016. The difference between these assets and liabilities is reported as net position. Assets, liabilities and net position are reported for all governmental activities separate from the assets, liabilities and net position of business-type activities. Changes in net position over time may be helpful in identifying an improving or deteriorating financial position.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events which give rise to the change, regardless of the timing of the related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

Both statements attempt to distinguish functions of Oconee County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to

recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, law enforcement, parks and recreation, jail operations, zoning and enforcement, judicial, public works and human resources. Business-type activities financed by user charges include water and sewer, sanitation collection sites and community development.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been separated for specific activities or objectives. Like other state and local governments, Oconee County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and Generally Accepted Accounting Principles (GAAP). All funds of Oconee County government can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds account for the same functions as those reported under the government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year. This has a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Oconee County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for government funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison. The county reports two major governmental funds – General Fund and SPLOST 2015 Funds. (pg 3)

Proprietary Funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements for one major fund: water and sewer. (pg 8-10)

Fiduciary Funds are agency funds held in a custodial nature outside the general county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the fiduciary funds are not available to support Oconee County Government's general programs. The accrual accounting used for fiduciary funds is much like that used for proprietary funds. Funds held by Oconee County for investment are reflected in this section as the Agency Fund. The county reports six agency funds – Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court. (Sch 14)

Notes to the Financial Statement

The Notes provide additional detail concerning the financial activities and financial balances of the Government. Additional information about the accounting practices of the Government; investments of the Government, long-term debt and the pension plan are some of the items included in the Notes.

Governmental Activities

For governmental activities, the change in net position amounted to \$1,094,145. (Exb 2) This increase is due to a combination of factors, including the addition of capital assets net of depreciation, developer contributions represented at an estimate of fair market value, as well as the treatment of long-term debt. Oconee County continues to practice conservative fiscal policies.

Business-Type Activities

Business type activities include the County's Enterprise Funds: Water & Sewer Fund, Solid Waste Fund and Special Facilities Fund. For business-type activities, the change in net position amounted to a total of \$7,556,393 (Exb 2) as a result of operating revenues, capital contributions and transfers in from SPLOST. SPLOST 2009 Fund transferred \$1,438,348 (Exb 6) to the Water and Sewer Fund for the purposes of capital expenses. A major activity of the Water & Sewer Fund was its intergovernmental project with the Walton County Water & Sewerage Authority. This project is also referred to as the Hard Labor Creek Reservoir Project.

Financial Analysis of Oconee County's Funds

As noted earlier, Oconee County employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds provide information on near-term inflows, outflows and balances of spendable resources. In assessing Oconee County's financial requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include: General Fund, SPLOST Funds, Special Revenue Funds, Capital Projects Local Resources Fund, and Industrial Development Authority Projects Fund.

As of June 30, 2016, Oconee County governmental funds reported combined fund balances of \$26,865,120, (Exb 4) an increase of \$7,562,434. (Exb 4) The County continues to utilize SPLOST funds to retire debt and for the development of capital projects such as roads, water and sewer improvements.

General Fund is the chief operating fund of the county. At June 30, 2016, total fund balance in the general fund was \$10,821,520. (Exb 4) There was an increase of \$1,102,772 (Exb 4) in the general fund balance. The increase in fund balance derives from a combination of factors. A reimbursement from the State Department of Transportation for the Mars Hill Widening project accounted for \$725K. Additional increases in fund balance resulted from property digest growth. The Board of Commissioners continues to take conservative measures by working closely with Elected Officials and Department Directors to keep expenditures at a minimum.

SPLOST Capital Projects Fund reflects funds collected with the 1% sales tax and expended for capital items that are in agreement with the referendum approved by the voters. Because projects often cross several years and involve design, land acquisition and construction phases, expenditures may vary

widely from year to year. Costs expended yearly in capital projects funds are added to the County's construction-in-progress until the project is complete, and then depreciated over its useful life. Water and Sewer projects funded by SPLOST are treated as transfers out to the Water and Sewer Fund and accounted for as Capital Improvement Projects in the Water and Sewer Fund.

Industrial Development Authority Fund The Industrial Development Authority is presented within the County's Financial Statements as a blended component unit.

In March 2012, Oconee County was selected as the site for the Caterpillar facility. Caterpillar constructed a facility, approximately 850,000 sq. ft., which straddles the Oconee/Athens-Clarke County line. This facility produces small-track type tractors and mini-hydraulic excavators. As a joint venture, the counties provided infrastructure improvements to support the site, while Caterpillar provided site improvements and constructed the facility. In FY12, the Industrial Development Authority was awarded a State Edge Grant for \$18 million by the OneGeorgia Authority for the purpose of site preparation and initial construction costs associated with the Caterpillar plant. The Industrial Development Authority issued \$10,380,000 Series 2012 Revenue Bonds during March 2012 as incentive for the Caterpillar development. As of 2016, Caterpillar has created 1,500 jobs and has invested \$143M in facilities and equipment.

In March 2016, the Industrial Development Authority issued \$4,285,000 Series 2016 Revenue Bonds. The proceeds from these bonds were to be used to acquire, construct, improve, and extend certain economic development road projects. These bonds are repayable solely through the proceeds of an intergovernmental contract between the Authority and Oconee County and are listed as Contract Payable-OCIDA in the Financial Statements.

In FY16, the Authority used \$34,881 (Sch 8) in operating funds and \$260,931 in 2012 Revenue bond proceeds and \$165,173 in 2016 Revenue bond proceeds. (Sch 9)

Special Revenue Fund by ordinance the Oconee County Board of Commissioners authorized an excise tax on rooms, lodgings and accommodations to contribute to the promotion of tourism, conventions and trade shows. In fiscal year 2010, the operation of a hotel and the excise tax revenue collections was initiated. The revenue for the period ending June 30, 2016 totaled \$156,147. (Sch 8)

Proprietary Funds

Proprietary Fund statements provide the same information as in the business activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds.

Enterprise Funds – At June 30, 2016, total net position amounted to \$78,611,000. (Exb 6) This includes a change in net position of \$7,556,393. (Exb 6) Net position changes are a result of operations, non-operating revenues, depreciation, expenses, capital contributions, donated assets and grants. The two funds in this category, Water & Sewer Fund and Other Enterprise Funds (Solid Waste Fund and Special Facilities Fund) receive additional revenue from such areas as user fees, licenses, permits, rent and donated infrastructure.

As part of the Intergovernmental Agreement between the County and the Upper Oconee Basin Water Authority (UOBWA), reconciliation is performed at the Authority's year-end (December 31) to determine the actual cost sharing by each member county.

In October 2007, the county entered into as part of an Intergovernmental Contract with Walton County and the Walton County Water and Sewerage Authority (WCWSA) for a Reservoir Project. The contract indicated that WCWSA would issue Revenue bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000 (Note 7), for the purpose of financing or refinancing all or a portion of the cost of acquiring, constructing, installing and equipping a reservoir and related treatment and transmission facilities, paying capitalized interest on the Series 2008 Bonds, funding a debt service reserve and paying the costs of issuing the Series 2008 Bonds. In July 2015, Series 2015 WCWSA Refunding Bonds were issued in the amount of \$8,425,000 to partially refund the Series 2008 Revenue Bonds and to pay the costs of issuance. The county intends to make the contract payments with revenues derived from its water and sewerage system. Subsequent to year-end, Series 2016 WCWSA Refunding Bonds were issued in the amount of \$9,465,000 to partially refund the Series 2008 Revenue Bonds and to pay the costs of issuance.

During 2013, the County entered into a note payable with WCWSA and Georgia Environmental Finance Authority (GEFA). The County is obligated to pay 28.8% of the amounts payable under that note pursuant to the intergovernmental agreement that established the Hard Labor Creek Reservoir Project. The note allowed for up to \$20,000,000 of borrowing, of which the County's share would be \$5,760,000. At year-end, the entire note balance had been drawn and was outstanding. In July 2014, the county entered into a second note payable with WCWSA and GEFA. The County is obligated to pay 28.8% of the amounts payable under the note pursuant to the intergovernmental agreement that established the Hard Labor Creek Reservoir Project. The note allows for up to \$12,000,000 of borrowing of which the County's share would be \$3,456,000. At year end, the total borrowed to date was \$7,344,067 of which the County is responsible for \$2,115,091 (Note 7).

Program Revenue, General Revenue and Total Revenue

Total program revenues for primary government increased from the previous fiscal year. The county received operating and capital grants which were a driving force in the increase. The general state of the economy also improved, along with an improvement in Sales Tax revenues. House Bill 386 was passed by the 2012 Georgia General Assembly and provided a new method of taxation for motor vehicles, commonly referred to as Title Ad Valorem Tax or TAVT. This bill became effective March 1, 2013. Vehicles purchased after March 1, 2013 are exempt from Sales Tax and the ad valorem tax (aka "birthday tax"). These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the TAVT. This fee is calculated by multiplying the fair market value by 7.0% in 2016.

Financial Highlights

The economy in Oconee County is returning to normal Pre-Recession levels faster than neighboring counties in the region. Primary factors in determining normalcy are low unemployment, new revenue sources through small business activity and an increase in new housing starts. Sales Tax revenue and economic activity have increased over the period slightly faster than projected. All of these factors enabled Oconee County to maintain the budget at current levels and in some cases, coming in under

budget. The millage rate was maintained while the property digest increased. In November 2014, the voters approved via referendum SPLOST 2015. The first collections were in October 2015 and the first distribution to the County was received in November 2015. As part of the SPLOST 2015 referendum, funds were allocated for G. O. Bond debt repayment. The Transportation Improvement & Maintenance Program & Water and Sewer Improvement plans are funded through SPLOST funds and remain within budget for infrastructure improvements.

In March 2016, the Industrial Development Authority issued \$4,285,000 Series 2016 Revenue Bonds. The proceeds from these bonds were to be used to acquire and construct Parkway Boulevard and improve certain other economic development road projects.

Oconee County's total assets exceeded total liabilities at June 30, 2016, by \$162,475,448. (Exb 1) Of this amount, \$5,240,373 (Exb 1) may be used to meet the county's ongoing obligations to citizens and creditors.

As a whole, the financial position of the Oconee County government improved when compared to recent years. At June 30, 2016, Oconee County's Governmental Fund Statement Report combined ending fund balances of \$26,865,120 (Exb 4) an increase of \$7,562,434. Of this amount, \$14,994,442 (Exb 3) is restricted for Capital projects which commit the following funds: SPLOST 2004 - \$3,695,406 (Sch 6), SPLOST 2009 - \$3,670,771 (Sch 6), SPLOST 2015 - \$2,938,466 (Exb 3), Hotel Sales Tax - \$137,298 (Sch 5), Industrial Development Authority Projects - \$4,119,827 (Sch 6), and General Fund - \$432,674. (Exb 3) In addition, the General Fund has committed \$2,762,835 (Exb 3) to advance fund GDOT project SR53/Mars Hill Road. Phase I of the project included reimbursements from the State of Georgia totaling \$5,337,170.25. The County began Phase II of the project with reimbursable expenditures as of June 30, 2016 totaling \$749,491.

The General Fund reported an adequate unassigned fund balance of \$6,752,211. (Exb 3) During FY16, the government in accordance with GASB 45, accounting and financial reporting by employees for post-employment benefits other than pensions continued to remain in effect. The County implemented GASB 54 Fund Balance reporting and governmental fund type definitions in 2012. In 2013, the County implemented GASB 61. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The amendments to the criteria for blending improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic. Oconee County and the Oconee County Industrial Development Authority were reported in FY13 as a blended component unit in accordance with GASB 61. The County also implemented GASB 63. This Statement provides guidance for deferred outflows and deferred inflows of resources and defines those elements which are distinct from assets and liabilities as a consumption or acquisition of net assets that are applicable to future reporting periods and renames net assets to net position. The County also further implemented GASB 65. This Statement reclassifies certain items as deferred outflows or as deferred inflows of resources previously reported as assets and liabilities. In FY15, the County implemented GASB 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB 27.

Government – Wide Financial Analysis

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2015 and the fiscal year ended June 30, 2016. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ended 2016 shows an increase in the change in net position of \$8.65 million (Exb 2) over the previous fiscal year.

Budget Variations

The original General Fund budget for the fiscal year end June 30, 2016, reflected anticipated revenues of \$23,120,500 and expenditures of \$21,212,306. The final budget for the fiscal year showed revenues of \$25,451,620 and expenditures of \$23,865,801, while the actual results for fiscal year ending June 30, 2016 indicated revenues of \$25,975,968 and expenditures of \$22,850,264. (Sch. 3) The local economy improved in Oconee County. Primary factors were low unemployment, new revenue sources through small business activity and increased commercial site construction. Sales Tax revenue has increased over the period and economic activity has improved. The opening of the Epps Bridge Centre in Oconee County has generated sales tax and in turn boosted the County's economy.

For a detailed overview of Oconee County's Capital Assets, the reader is referred to Notes to the Financial Statements, Note 3. For Long-term Debt Obligations, the reader is referred to Note 7. Additionally, Oconee County is utilizing Water and Sewer Revenue Bonds to supplement SPLOST funding as a means to assist in providing for future infrastructure, water sources and sewer needs.

Component Units

Separately issued financial statements for the Oconee County Health Department, a discretely presented component unit of the County, provide more detailed information about the financial position and results of the Health Department. These statements can be obtained by contacting the Health Department at:

Oconee County Health Department
160 Experiment Station Road
Post Office Box 222
Watkinsville, Georgia 30677

Separately issued financial statements for the Oconee County Industrial Development Authority, a blended component unit of the County, provides more detailed information about the financial position and the results of the Industrial Development Authority. These statements can be obtained by contacting the Industrial Development Authority at:

Oconee County Industrial Development Authority
Post Office Box 1527
Watkinsville, Georgia 30677

Oconee County, Georgia
For the Year Ended June 30, 2016

Table 1
Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Assets						
Current & Other Assets	20.70	28.18	24.96	27.53	45.66	55.71
Capital Assets, Net	90.09	87.92	89.99	93.88	180.08	181.80
Total Assets	110.79	116.10	114.95	121.41	225.74	237.51
Deferred Outflows of Resources						
Deferred Amount on Debt Refunding	0.70	0.66	0.99	1.91	1.69	2.57
Deferred Outflow Related to Pensions	0.10	1.53	0.01	0.18	0.11	1.71
Total Assets and Deferred Outflows	111.59	118.29	115.95	123.50	227.54	241.79
Liabilities						
Current & Other Liabilities	1.31	1.43	2.03	1.99	3.34	3.42
Long-Term Liabilities						
Due Within One Year	0.81	1.09	1.96	2.06	2.77	3.15
Due in More Than One Year	26.70	31.84	40.90	40.83	67.60	72.67
Total Liabilities	28.82	34.36	44.89	44.88	73.71	79.24
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	0.00	0.07	0.00	0.01	0.00	0.08
Total Liabilities and Deferred Inflows	28.82	34.43	44.89	44.89	73.71	79.32
Net Position						
Net Investment in Capital Assets	80.71	78.24	57.06	60.35	137.77	138.59
Restricted						
Capital Projects	8.78	14.99	0.00	0.00	8.78	14.99
Judicial	0.10	0.17	0.00	0.00	0.10	0.17
Public Safety	0.16	0.20	0.00	0.00	0.16	0.20
Debt Service	0.00	0.00	3.04	3.04	3.04	3.04
Other Purposes	0.20	0.24	0.00	0.00	0.20	0.24
Unrestricted	(7.18)	(9.98)	10.96	15.22	3.78	5.24
Total Net Position	82.77	83.86	71.05	78.61	153.82	162.47

Oconee County, Georgia
For the Year Ended June 30, 2016

Table 2
Changes in Net Position
(in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2015	2016	2015	2016	2015	2016
Revenue						
Program Revenues:						
Charges for Services	4.60	4.65	9.59	11.32	14.19	15.97
Operating Grants & Contributions	0.62	0.71	0.00	0.00	0.62	0.71
Capital Grants & Contributions	3.10	1.53	2.56	1.96	5.66	3.49
General Revenues:						
Property Taxes	11.48	12.17			11.48	12.17
Sales Taxes	12.66	13.24			12.66	13.24
Intangible Taxes	0.48	0.57			0.48	0.57
Business Taxes	1.48	1.59			1.48	1.59
Franchise Fees	0.30	0.33			0.30	0.33
Other Taxes	0.18	0.19			0.18	0.19
Investment Earnings	0.02	0.03	0.02	0.03	0.04	0.06
Gain on Disposal of Capital Asset	0.09	0.00	0.00	0.00	0.09	0.00
Total Revenues	35.01	35.01	12.17	13.31	47.18	48.32
Program Expenses						
General Government	6.09	6.59			6.09	6.59
Judicial	2.06	2.08			2.06	2.08
Public Safety	9.56	9.89			9.56	9.89
Public Works	6.44	6.48			6.44	6.48
Health & Welfare	0.73	0.73			0.73	0.73
Culture & Recreation	3.61	3.80			3.61	3.80
Housing & Development	1.54	1.67			1.54	1.67
Interest & Fiscal Charges	0.71	0.68			0.71	0.68
Water & Sewer			6.43	6.85	6.43	6.85
Solid Waste			0.47	0.44	0.47	0.44
Special Facilities			0.47	0.46	0.47	0.46
Total Expenses	30.74	31.92	7.37	7.75	38.11	39.67
Excess (Deficiency) Before Transfers & Contributions	4.27	3.09	4.80	5.56	9.07	8.65
Total Transfers	(1.83)	(2.00)	1.83	2.00	0.00	0.00
Changes in Net Position	2.45	1.09	6.63	7.56	9.07	8.65
Net Position, Beginning	87.81	82.77	65.35	71.05	153.16	153.82
Prior Period Adj-Implementation GASB 68	(7.49)	0.00	(0.93)	0.00	(8.42)	0.00
Net Position, Beginning, as Restated	80.32	82.77	64.42	71.05	144.74	153.82
Net Position, Ending	82.77	83.86	71.05	78.61	153.82	162.47

Basic Financial Statements

Oconee County, Georgia
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total	Health Department
ASSETS				
Cash (Note 2)	\$ 12,850,167	\$ 7,600,863	\$ 20,451,030	\$ 537,343
Investments, plus accrued interest (Note 2)	12,908,407	4,126,392	17,034,799	-
Accounts receivable, net	314,840	976,520	1,291,360	40,358
Taxes receivable, net	175,847	-	175,847	-
Internal balances (Note 4)	(338,102)	338,102	-	-
Due from other governments	2,041,569	144,291	2,185,860	-
Prepaid expenses	219,757	14,074	233,831	-
Restricted cash (Note 2)	12,315	1,910,386	1,922,701	-
Restricted investments (Note 2)	-	2,847,830	2,847,830	-
Investment - UOBWA, net (Note 5)	-	9,572,410	9,572,410	-
Capital assets (Note 3)				
Capital assets not being depreciated	22,280,221	35,200,538	57,480,759	-
Capital assets, net of accumulated depreciation	65,638,985	58,676,249	124,315,234	25,442
Total assets	116,104,006	121,407,655	237,511,661	603,143
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on debt refunding	660,969	1,910,644	2,571,613	-
Deferred outflow related to pensions (Note 9)	1,530,957	183,792	1,714,749	88,504
Total assets and deferred outflows	118,295,932	123,502,091	241,798,023	691,647
LIABILITIES				
Accounts payable	771,676	567,549	1,339,225	45,515
Accounts payable from restricted assets	12,315	21,200	33,515	-
Retainage payable	-	73,181	73,181	-
Salaries and benefits payable	346,696	52,005	398,701	-
Accrued interest	301,098	491,751	792,849	-
Customer deposits	-	782,404	782,404	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	1,061,582	2,067,714	3,129,296	-
Compensated absences	23,432	-	23,432	-
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	22,942,456	39,732,171	62,674,627	-
Net pension liability (Note 9)	8,145,326	1,000,303	9,145,629	452,987
OPEB obligation (Note 10)	58,453	-	58,453	-
Compensated absences	696,156	94,169	790,325	49,002
Total liabilities	34,359,190	44,882,447	79,241,637	547,504
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	72,294	8,644	80,938	39,774
Total liabilities and deferred inflows	34,431,484	44,891,091	79,322,575	587,278
NET POSITION				
Net investment in capital assets	78,241,425	60,346,808	138,588,233	25,442
Restricted for:				
Capital projects	14,994,442	-	14,994,442	-
Judicial	172,260	-	172,260	-
Public safety	200,402	-	200,402	-
Debt service	-	3,042,943	3,042,943	-
Other purposes	236,795	-	236,795	-
Unrestricted	(9,980,876)	15,221,249	5,240,373	78,927
Total net position	\$ 83,864,448	\$ 78,611,000	\$ 162,475,448	\$ 104,369

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

Oconee County, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Health Department
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental:							
General government	\$ 6,593,236	\$ 985,559	\$ 31,733	\$ -	\$ (5,575,944)	\$ -	\$ (5,575,944)
Judicial	2,077,404	709,372	290,664	-	(1,077,368)	-	(1,077,368)
Public safety	9,893,572	952,343	96,559	-	(8,844,670)	-	(8,844,670)
Public works	6,483,129	14,491	-	1,526,356	(4,942,282)	-	(4,942,282)
Health and welfare	728,785	-	198,446	-	(530,339)	-	(530,339)
Culture and recreation	3,799,207	1,153,164	86,750	-	(2,559,293)	-	(2,559,293)
Housing and development	1,668,679	834,468	12,173	-	(822,038)	-	(822,038)
Interest and fiscal charges	675,862	-	-	-	(675,862)	-	(675,862)
Total governmental activities	31,919,874	4,649,397	716,325	1,526,356	(25,027,796)		(25,027,796)
Business-type:							
Water and sewer	6,856,141	10,974,136	-	1,960,082		\$ 6,078,077	6,078,077
Solid waste	443,427	179,795	-	-		(263,632)	(263,632)
Special facilities	460,372	164,840	-	-		(295,532)	(295,532)
Total business-type activities	7,759,940	11,318,771	-	1,960,082		5,518,913	5,518,913
Component units:							
Oconee County Health Department	754,342	483,861	319,515	-			
Total Oconee County	\$ 40,434,156	\$ 16,452,029	\$ 1,035,840	\$ 3,486,438	(25,027,796)	5,518,913	(19,508,883)
							\$ 49,034
General revenues:							
Taxes							
Property taxes, levied for general purposes					12,176,938	-	12,176,938
Sales tax					13,235,800	-	13,235,800
Intangible tax					568,488	-	568,488
Business taxes					1,592,698	-	1,592,698
Franchise taxes					325,111	-	325,111
Other taxes					192,078	-	192,078
Investment earnings					28,917	36,539	65,456
Gain on disposal of capital assets					-	2,852	2,852
Transfers					(1,998,089)	1,998,089	-
Total general revenues and transfers					26,121,941	2,037,480	28,159,421
Change in net position					1,094,145	7,556,393	8,650,538
Net position - beginning					82,770,303	71,054,607	153,824,910
Net position - ending					\$ 83,864,448	\$ 78,611,000	\$ 162,475,448

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

Oconee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash (Note 2)	\$ 1,097,531	\$ 2,503,557	\$ 9,249,079	\$ 12,850,167
Investments (Note 2)	9,229,989	-	3,678,418	12,908,407
Accounts receivable, net	182,452	-	132,388	314,840
Taxes receivable, net	175,068	-	779	175,847
Internal balances (Note 4)	501,465	-	301,342	802,807
Due from other governments	1,367,933	567,924	105,712	2,041,569
Prepaid items	211,800	-	7,957	219,757
Restricted cash (Note 2)	12,315	-	-	12,315
Total assets	<u>\$ 12,778,553</u>	<u>\$ 3,071,481</u>	<u>\$ 13,475,675</u>	<u>\$ 29,325,709</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 487,094	\$ 133,015	\$ 151,567	\$ 771,676
Internal balances (Note 4)	954,616	-	186,293	1,140,909
Salaries and benefits payable	314,722	-	31,972	346,694
Bonds and deposits payable from restricted cash	12,315	-	-	12,315
Total liabilities	<u>1,768,747</u>	<u>133,015</u>	<u>369,832</u>	<u>2,271,594</u>
Deferred inflows of resources:				
Unavailable property taxes	163,476	-	709	164,185
Unavailable grant reimbursements	24,810	-	-	24,810
Total deferred inflows	<u>188,286</u>	<u>-</u>	<u>709</u>	<u>188,995</u>
Fund balances:				
Nonspendable	211,800	-	7,957	219,757
Restricted				
Capital projects	432,674	2,938,466	11,623,302	14,994,442
Judicial	-	-	172,260	172,260
Public safety	-	-	200,402	200,402
Culture and recreation	-	-	81,971	81,971
Housing and development	-	-	154,824	154,824
Committed				
Public works	2,762,835	-	-	2,762,835
Assigned				
Subsequent years' budget	662,000	-	-	662,000
Health and welfare	-	-	168,987	168,987
Housing and development	-	-	701,109	701,109
Unassigned	6,752,211	-	(5,678)	6,746,533
Total fund balances	<u>10,821,520</u>	<u>2,938,466</u>	<u>13,105,134</u>	<u>26,865,120</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 12,778,553</u>	<u>\$ 3,071,481</u>	<u>\$ 13,475,675</u>	<u>\$ 29,325,709</u>

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

Oconee County, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total *fund* balances for governmental funds (Exhibit 3) \$ 26,865,120

Total *net position* reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Capital assets not being depreciated	22,280,221	
Capital assets, net of depreciation	65,638,985	
Total capital assets		87,919,206

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable property taxes in the funds. 164,185

Grant reimbursements are recorded as revenue once the costs for the grant are incurred under the accrual basis of accounting used on the Statement of Net Position. The reimbursements must be received in time to liquidate current obligations to be considered available and reported as revenue in the funds. This adjustment represents revenue not received in time to be considered available. 24,810

Deferred outflows of resources related to pensions represent unamortized differences between actual and projected income and changes in assumptions that accounting standards require be amortized into income over future periods. These deferrals do not constitute current financial resources and are not reported in the funds. 1,530,955

Deferred inflows or resources related to pensions represent unamortized differences between actuarial assumptions and actual experience. The deferrals do not constitute current financial obligations and are not reported in the funds. (72,294)

The County's normal cost and amortized past service cost of other postemployment benefits have exceeded the amounts that the County has paid toward providing these benefits. The total amount of the actuarially determined cost of these benefits have exceeded the amounts paid are reported as a liability in the Statement of Net Position. (58,453)

Gains and losses on the refunding of debt issuances are amortized into income during the shorter of the remaining life of the refunded debt or the life of the new debt issuance. The unamortized loss is reported as a deferred outflow of resources. 660,969

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:

Accrued interest	\$ (301,098)	
Bonds, notes, and capital leases payable	(24,004,038)	
Net pension liability	(8,145,326)	
Compensated absences - long-term	(719,588)	
Total long-term liabilities		(33,170,050)

Total net position of governmental activities (Exhibit 1) \$ 83,864,448

Oconee County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 21,005,700	\$ 5,110,857	\$ 1,801,698	\$ 27,918,255
Licenses and permits	746,715	-	-	746,715
Intergovernmental revenue	1,236,635	-	446,513	1,683,148
Charges for services	2,486,982	-	1,067,125	3,554,107
Fines and forfeitures	326,433	-	69,495	395,928
Investment income	27,288	484	16,143	43,915
Contributions and donations	2,429	-	163,631	166,060
Miscellaneous	143,786	-	25,411	169,197
Total revenues	<u>25,975,968</u>	<u>5,111,341</u>	<u>3,590,016</u>	<u>34,677,325</u>
EXPENDITURES				
Current:				
General government	5,105,291	-	5,453	5,110,744
Judicial	1,702,998	-	359,287	2,062,285
Public safety	7,174,260	-	1,602,031	8,776,291
Public works	3,837,796	-	236,532	4,074,328
Health and welfare	249,123	-	488,722	737,845
Culture and recreation	3,031,746	-	38,198	3,069,944
Housing and development	1,311,069	-	178,277	1,489,346
Debt service:				
Principal payments	415,000	453,518	163,998	1,032,516
Interest and fiscal charges	22,981	165,102	491,578	679,661
Debt issuance costs	-	-	85,000	85,000
Capital outlay:				
General government	-	51,947	77,444	129,391
Public safety	-	969,005	83,050	1,052,055
Public works	-	454,204	315,806	770,010
Culture and recreation	-	48,118	47,614	95,732
Housing and development	-	-	80,173	80,173
Intergovernmental	-	716,031	233,834	949,865
Total expenditures	<u>22,850,264</u>	<u>2,857,925</u>	<u>4,486,997</u>	<u>30,195,186</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>3,125,704</u>	<u>2,253,416</u>	<u>(896,981)</u>	<u>4,482,139</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	685,050	4,329,141	5,014,191
Proceeds from sale of capital assets	64,193	-	-	64,193
Transfers in	82,500	-	1,682,458	1,764,958
Transfers (out)	(2,169,625)	-	(1,593,422)	(3,763,047)
Total other financing sources (uses)	<u>(2,022,932)</u>	<u>685,050</u>	<u>4,418,177</u>	<u>3,080,295</u>
Net change in fund balances	1,102,772	2,938,466	3,521,196	7,562,434
Fund balances - beginning	9,718,748	-	9,583,938	19,302,686
Fund balances - ending	<u>\$ 10,821,520</u>	<u>\$ 2,938,466</u>	<u>\$ 13,105,134</u>	<u>\$ 26,865,120</u>

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

Oconee County, Georgia
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, 2016

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ 7,562,434

The change in *net position* reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$2,638,360) is exceeded by depreciation (\$5,043,420) in the current period. (2,405,060)

In the Statement of Activities, only the gain or loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed (net of accumulated depreciation). (152,417)

Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projected and actual earnings, changes in assumptions, changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by: 29,022

Under the full accrual method, postemployment benefits expenses are recorded as the benefits are earned. These benefits are recognized as expenditures in the funds as they become a claim on current financial resources. The County accrued the increase in the OPEB obligation which represents the difference between the actuarially determined OPEB costs and the current payment of financial resources. (180,462)

Governmental funds do not recognize all tax revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual basis and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the net difference in revenue between the accrual basis used in the government-wide statements and the modified accrual basis used in the funds. (19,220)

Governmental funds do not recognize certain other revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual basis, and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the net difference in revenue between the accrual basis used in the government-wide statements and the modified accrual basis used in the funds. (27,792)

Oconee County, Georgia
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, 2016

Contributions of assets that do not constitute financial resources are not reported as revenue in the funds, but are reported as capital grants and contributions in the government-wide Statement of Activities because this statement reports revenue on the full accrual basis. This adjustment represents the estimated fair market value of assets contributed to the County. 381,795

Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Net Position. (5,014,191)

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Also, 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. Additionally, interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The amounts of the items that comprise these differences in the treatment of long-term debt and related items are:

Principal repayment	1,032,516	
Accrued interest on debt	(16,271)	
Amortization of deferred amount on bond refunding	(38,881)	
Amortization of bond premiums and discounts	19,879	
		997,243

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net change of the compensated absences account. (77,207)

Change in net position of governmental activities (Exhibit 2) \$ 1,094,145

Oconee County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2016

ASSETS	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
Current assets:			
Cash (Note 2)	\$ 7,600,325	\$ 538	\$ 7,600,863
Investments, plus accrued interest (Note 2)	4,126,392	-	4,126,392
Accounts receivable, net of allowance of \$61,904	971,705	4,815	976,520
Internal balances (Note 4)	57,610	664,774	722,384
Due from other governments	144,291	-	144,291
Prepaid items	10,599	3,475	14,074
Total current assets	12,910,922	673,602	13,584,524
Noncurrent assets:			
Restricted cash (Note 2)	1,910,386	-	1,910,386
Restricted investments (Note 2)	2,847,830	-	2,847,830
Investment - UOBWA, net (Note 5)	9,572,410	-	9,572,410
Capital assets (Note 3)			
Capital assets not being depreciated	35,050,538	150,000	35,200,538
Capital assets, net of accumulated depreciation	57,087,733	1,588,516	58,676,249
Total capital assets	92,138,271	1,738,516	93,876,787
Total noncurrent assets	106,468,897	1,738,516	108,207,413
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	1,910,644	-	1,910,644
Deferred outflow related to pensions (Note 9)	152,190	31,602	183,792
Total deferred outflows	2,062,834	31,602	2,094,436
Total assets and deferred outflows	121,442,653	2,443,720	123,886,373
LIABILITIES			
Current liabilities:			
Accounts payable	520,192	47,357	567,549
Accounts payable-construction from restricted investments	21,200	-	21,200
Retainage payable	73,181	-	73,181
Internal balances (Note 4)	384,282	-	384,282
Salaries and benefits payable	37,536	14,469	52,005
Accrued interest	491,751	-	491,751
Customer deposits-payable from restricted cash	782,404	-	782,404
Bonds, notes and contracts payable (Note 7)	2,067,714	-	2,067,714
Total current liabilities	4,378,260	61,826	4,440,086
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	39,732,171	-	39,732,171
Net pension liability (Note 9)	662,957	337,346	1,000,303
Compensated absences (Note 7)	69,840	24,329	94,169
Total noncurrent liabilities	40,464,968	361,675	40,826,643
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions (Note 9)	7,203	1,441	8,644
Total liabilities and deferred inflows	44,850,431	424,942	45,275,373
NET POSITION			
Net investment in capital assets	58,608,292	1,738,516	60,346,808
Restricted for debt service	3,042,943	-	3,042,943
Unrestricted	14,940,987	280,262	15,221,249
Total net position	\$ 76,592,222	\$ 2,018,778	\$ 78,611,000

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

Oconee County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
OPERATING REVENUES			
Charges for services	\$ 8,415,112	\$ 236,589	\$ 8,651,701
Licenses and permits	-	7,500	7,500
Rents and royalties	-	100,069	100,069
Miscellaneous	272,222	477	272,699
Total operating revenues	8,687,334	344,635	9,031,969
OPERATING EXPENSES			
Salaries and benefits	1,435,654	433,616	1,869,270
Other contracted services	149,744	233,797	383,541
Water purchase and treatment costs	1,581,715	-	1,581,715
Supplies and materials	75,820	37,322	113,142
Repairs and maintenance	564,294	26,671	590,965
Utilities	382,047	61,527	443,574
Insurance	8,721	9,511	18,232
Depreciation	1,756,086	74,336	1,830,422
Other charges	110,054	27,019	137,073
Total operating expenses	6,064,135	903,799	6,967,934
Operating income (loss)	2,623,199	(559,164)	2,064,035
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	36,539	-	36,539
Gain on disposal of assets	2,852	-	2,852
Water availability fees	1,072,460	-	1,072,460
Sewer capacity fees	1,076,642	-	1,076,642
Sewer connection fees	137,700	-	137,700
Amortization expense - UOBWA	(151,654)	-	(151,654)
Interest expense	(640,352)	-	(640,352)
Total nonoperating revenue	1,534,187	-	1,534,187
Income (loss) before contributions and transfers	4,157,386	(559,164)	3,598,222
Capital contributions	1,960,082	-	1,960,082
Transfers in	1,438,348	559,741	1,998,089
Change in net position	7,555,816	577	7,556,393
Total net position - beginning	69,036,406	2,018,201	71,054,607
Total net position - ending	\$ 76,592,222	\$ 2,018,778	\$ 78,611,000

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

Oconee County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 8,653,408	\$ 348,123	\$ 9,001,531
Payments to suppliers	(2,575,014)	(430,444)	(3,005,458)
Payments to employees	(1,440,789)	(435,808)	(1,876,597)
Net cash provided (used) by operating activities	<u>4,637,605</u>	<u>(518,129)</u>	<u>4,119,476</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	1,438,348	506,928	1,945,276
Interfund loans - proceeds and collections	219,362	-	219,362
Net cash provided by noncapital financing activities	<u>1,657,710</u>	<u>506,928</u>	<u>2,164,638</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(3,368,356)	-	(3,368,356)
Proceeds from issuance of debt	338,867	-	338,867
Principal payments on debt	(1,988,483)	-	(1,988,483)
Interest payments on debt	(1,552,992)	-	(1,552,992)
Sewer capacity and connection fees from customers	2,286,802	-	2,286,802
Proceeds from sale of capital assets	2,852	-	2,852
Net cash used for capital and related financing activities	<u>(4,281,310)</u>	<u>-</u>	<u>(4,281,310)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	21,717	-	21,717
Proceeds from sale of investments	800,857	-	800,857
Net cash provided by investing activities	<u>822,574</u>	<u>-</u>	<u>822,574</u>
Net change in cash	2,836,579	(11,201)	2,825,378
Cash - beginning	6,674,132	11,739	6,685,871
Cash - end	<u>\$ 9,510,711</u>	<u>\$ 538</u>	<u>\$ 9,511,249</u>
Displayed as:			
Cash	\$ 7,600,325	\$ 538	\$ 7,600,863
Restricted cash - noncurrent	1,910,386	-	1,910,386
	<u>\$ 9,510,711</u>	<u>\$ 538</u>	<u>\$ 9,511,249</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 2,623,199	\$ (559,164)	\$ 2,064,035
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,756,086	74,336	1,830,422
Change in assets, liabilities and deferred amounts:			
Receivables, net	(122,393)	3,489	(118,904)
Prepaid items	(1,342)	1,501	159
Due from other governments	(56,043)	-	(56,043)
Accounts payable	354,766	(36,098)	318,668
Accrued expenses	12,507	453	12,960
Customer deposits	88,467	-	88,467
Compensated absences	(14,751)	(2,068)	(16,819)
Net change in pension deferrals	(134,859)	(26,975)	(161,834)
Net pension liability	131,968	26,397	158,365
Net cash provided (used) by operating activities	<u>\$ 4,637,605</u>	<u>\$ (518,129)</u>	<u>\$ 4,119,476</u>
Non-cash investing, capital and financing activities:			
Discount on GEFA note	\$ 66,742	\$ -	\$ 66,742
Contribution of water system assets	1,893,340	-	1,893,340

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

Oconee County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	Agency Funds
ASSETS	
Cash	<u>\$ 546,912</u>
Total assets	<u>546,912</u>
 LIABILITIES	
Due to others	<u>546,912</u>
Total liabilities	<u>546,912</u>
NET POSITION	<u><u>\$ -</u></u>

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

Notes to Financial Statements

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Oconee County was incorporated under the laws of the State of Georgia in 1875. The County is governed by a five-member Board of Commissioners. Each commissioner is elected to a four-year term. The Chairman serves as the full-time Chief Executive Officer and the other four commissioners serve on a part-time basis. The Chairman is responsible for the daily operations of the County.

The financial statements of Oconee County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (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.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, the financial statements of the reporting entity include those of Oconee County (the primary government) and its component units. The County implemented the guidance of GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*, which amends some of the provisions of Statement 14, as of July 1, 2012. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- * the organization is legally separate (can sue and be sued in its own name)
- * the County holds the corporate powers of the organization
- * the County appoints a voting majority of the organization's board
- * the County is able to impose its will on the organization
- * the organization has the potential to impose a financial benefit/burden on the County
- * there is fiscal dependency by the organization on the County

Discretely Presented Component Units – The component unit columns in the government-wide financial statements include the financial data of the County's component units. They are included because, if excluded, the County's financial statements would be misleading. They are reported in separate columns in the government-wide financial statements to emphasize their legal separation from the County. The following component units are included in the statements:

Oconee County Health Department - The Health Department was created by state legislative act in 1964 to provide various health related programs such as immunization, family planning, and nutrition services. It operates under an Executive Officer and a seven member board comprised of the following: the Chairman of the Board of Commissioners, the Oconee County School Superintendent, and the Mayor of the City of Watkinsville, three at-large members appointed by the County, and one at-large member appointed by the City of Watkinsville. Because the County appoints a majority of the Health Department's board and provides funding in support of the Health Department, it is reported as discretely presented component unit of the County.

The County made appropriations to the Health Department totaling \$90,750 during the year.

The Health Department issues its own financial statements and it has a June 30 fiscal year end. Complete financial statements of the individual component units can be obtained from its administrative offices at:

Oconee County Health Department
160 Experiment Station Road
Post Office Box 222
Watkinsville, Georgia 30677

Blended Component Units - Based on the GASB criteria, the Oconee County Industrial Development Authority (OCIDA) qualifies as a blended component unit.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies, continued

Oconee County Industrial Development Authority - The financial operations of OCIDA are presented in its stand-alone statements as governmental activities. The five voting members of the OCIDA include the Chairman of the Board of Commissioners, the President of the Oconee County Chamber of Commerce, the Mayor of the City of Watkinsville, and two at-large members appointed by the County Board of Commissioners. Substantially all of the financial operations of the Authority are subject to the prior approval of the Board of Commissioners. The OCIDA issued bonds which are payable only from payments by Oconee County pursuant to an intergovernmental agreement. Because substantially all of the debt of the OCIDA will be paid by resources of the County, the OCIDA is reported as a blended component unit.

The OCIDA issues its own financial statements and has a June 30 year end. Complete financial statements of the OCIDA can be obtained from its administrative offices at:

Oconee County Industrial Development Authority
Post Office Box 145
Watkinsville, Georgia 30677

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

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

SPLOST 2015 – This is a capital projects fund established to account for all special local option sales tax revenues collected as a result of the County's 2015 SPLOST referendum as well as the specifically identified projects for which the SPLOST tax was established.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies, continued

The County reports the following major enterprise fund:

Water and Sewer Fund – This fund accounts for the operation, maintenance and development of the County’s water and sewer system.

The County reports the following fiduciary fund type:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the agency funds of the County at year-end: Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be *available* if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

C. Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to the May Commissioners’ meeting, department heads must submit their requests for budgets for the coming year.
2. The Board of Commissioners meets with each department head to discuss their requests and make necessary adjustments.
3. The revised requests are reviewed at the May Commissioners’ meeting.
4. The final budget is approved at the June Commissioners’ meeting.
5. Department heads may make lateral changes to the budget within their department. Any increase in total departmental budgets, however, must be approved by the Board of Commissioners.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies, continued

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles, but is adopted at the department level and presented as such in the financials. A reconciliation from the department level to current expenditures, debt service expenditures and transfers out is provided. An annual budget is adopted for the General Fund, Special Revenue Funds and Capital Projects Funds. An operating budget is prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is used by the County. There were no outstanding encumbrances at year-end.

E. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All bank deposits must be collateralized by an amount equal to 110% of uninsured deposits of the State of Georgia or U.S. obligations or direct loans to the County. General Fund cash balances in excess of amounts required for the County's daily operating activities were invested in either the State of Georgia Local Government Investment Pool or Certificates of Deposit during the fiscal year.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of thirty days or less.

Investments that represent certificates of deposits with an original maturity greater than 90 days are recorded at cost plus accrued interest, which approximates market value. Investments with quoted market prices, such as obligations of the federal government, are reported at the quoted market price.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material. Water and Sewer Fund allowances for uncollectible accounts, netted with accounts receivable, were \$61,904 as of year-end.

G. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes as well as the taxes for the County School District and several cities within the County. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes were levied on September 3, 2015. The collection period for property taxes was September 15, 2015 through November 15, 2015. Taxes receivable at June 30, 2016 amounted to \$175,847 while unavailable property taxes totaled \$164,185.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies, continued

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 are recorded as capital assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost 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 projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	15-50
Building and improvements	10-50
Water and sewer distribution system	20-50
Vehicles	4-20
Furniture, fixtures and equipment	5-10

Pursuant to GASB Statement No. 34, the County has retroactively identified all infrastructure assets placed in service prior to July 1, 2002 and has recorded those assets which fall within the County's capitalization policy.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and comp time balances. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments upon termination are included. In accordance with the provisions of GASB Statement 16, concerning Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Compensated absence balances related to governmental activities are liquidated through the General Fund.

K. Restricted Assets

Restricted assets consist of restricted cash and investments. These resources have been set aside for customer deposits, debt service reserves for the water and sewerage revenue bonds, construction of the Hard Labor Creek Reservoir, and the repayment of the contract payable with WCWSA.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 1: Summary of Significant Accounting Policies, continued

L. Fund Equity

The governmental funds report the following five categories of fund balance: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Board of Commissioners. Oconee County Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Oconee County Board of Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Through board action, the Board of Commissioners has authorized the Finance Director to assign fund balances.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance or net position is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

Note 2: Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy regarding custodial credit risk is to comply with the state law requiring collateralization of uninsured deposits up to 110% of the value of the deposits. As of June 30, 2016, none of the County's deposits was exposed to custodial credit risk.

Restricted Cash

At year-end, the County had the following restricted cash:

<u>Purpose</u>	<u>Balance</u>
<u>General Fund</u>	
Liability bonds payable	\$ 12,315
 <u>Water and Sewer Fund</u>	
Debt service reserve 2009 bonds	760,114
Debt service reserve 2012 bonds	300,134
Construction proceeds - WCWSA 2012 GEFA	73,181
Customer deposits	776,957
Restricted cash - noncurrent	<u>\$ 1,910,386</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 2: Deposits and Investments, continued

Investments

Credit Risk

Georgia law authorizes local governments to invest in the following types of obligations:

Obligations of the State of Georgia or any other states;

Obligations issued by the United States;

Obligations fully insured or guaranteed by the United States government or governmental agency;

Obligations of any corporation of the United States Government;

Prime bankers' acceptances;

The State of Georgia Local Government Investment Pool;

Repurchase agreements; and

Obligations of other political subdivisions of the State of Georgia.

The County has no investment policy that would further limit its investment choices. As of June 30, 2016, the County had \$17,941,627 invested in Georgia Fund 1. Georgia Fund 1, created by *O.C.G.A. 36-83-8*, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940, but is not considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool is managed by the Office of the State Treasurer. Its primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Interest Rate Risk

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

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. The County had no investments that met this requirement at year-end.

Foreign Currency Risk

The County is not exposed to foreign currency risks as all deposits and investments are denominated in US dollars.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 2: Deposits and Investments, continued

At year-end, the County had the following investments:

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>	<u>Balance</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	42 days	\$ 2,188,655
Certificates of deposit		12 month	<u>1,937,737</u>
			<u>4,126,392</u>
 <u>General Fund</u>			
Georgia Fund 1	AAAf	42 days	9,229,989
 <u>SPLOST 2004 Fund</u>			
Georgia Fund 1	AAAf	42 days	<u>3,678,418</u>
	Total unrestricted		<u>17,034,799</u>
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	42 days	2,844,565
Fidelity Treasury Money Market Shares	AAAm	53 days	<u>3,265</u>
	Total restricted		<u>2,847,830</u>
	Total investments		<u>\$ 19,882,629</u>

The maturities of the County's investments in Georgia Fund 1 and the Fidelity Treasury Money Market Shares is calculated based on a weighted average maturity of the investments held in the respective funds.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
Investments measured at fair value:				
Georgia Fund 1	-	-	-	\$ 17,941,627

The County's investment in Georgia Fund 1 is not classified within the fair value hierarchy because it represents an external investment pool for which fair value is measured using a fair value per share methodology. The certificates of deposit are not negotiable or transferrable, so they meet the definition of a "nonparticipating interest earning investment contract" and are measured at cost in accordance with GASB Statement No. 31. The Fidelity Treasury Money Market Shares is a money market investment having a remaining maturity of one year or less and are reported at amortized cost in accordance with GASB 31.

The source of the restricted investments held by the County's Water and Sewer Fund is as follows:

<u>Water and Sewer Fund</u>	
Construction proceeds 2008 WCWSA Contract Payable	\$ 865,135
Debt service reserve 2008 WCWSA Contract Payable	1,408,533
Sinking Fund 2008 WCWSA Contract Payable	418,145
Debt service reserve 2003 bonds	3,265
Sinking Fund 2015 WCWSA Contract Payable	<u>152,752</u>
Restricted investments - noncurrent	<u>\$ 2,847,830</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 2: Deposits and Investments, continued

Custodial Credit Risk-Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the investments held by the County are either insured or registered in the name of the County. The County has no policy on custodial credit risk for investments.

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

<u>Primary Government</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,759,938	\$ -	\$ 1,000	\$ 11,758,938
Construction in progress	8,783,576	1,278,832	84,925	9,977,483
Intangibles	430,400	113,400	-	543,800
Total capital assets not being depreciated	<u>20,973,914</u>	<u>1,392,232</u>	<u>85,925</u>	<u>22,280,221</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	109,273,054	268,395	-	109,541,449
Buildings and improvements	43,785,104	127,278	355,702	43,556,680
Equipment, furniture and vehicles	14,906,151	1,317,175	174,967	16,048,359
Total capital assets being depreciated	<u>167,964,309</u>	<u>1,712,848</u>	<u>530,669</u>	<u>169,146,488</u>
Less accumulated depreciation for:				
Infrastructure	74,212,436	2,806,292	-	77,018,728
Buildings and improvements	13,049,600	1,394,727	204,285	14,240,042
Equipment, furniture and vehicles	11,581,299	842,401	174,967	12,248,733
Total accumulated depreciation	<u>98,843,335</u>	<u>5,043,420</u>	<u>379,252</u>	<u>103,507,503</u>
Total capital assets being depreciated, net	<u>69,120,974</u>	<u>(3,330,572)</u>	<u>151,417</u>	<u>65,638,985</u>
Governmental activity capital assets, net	<u>\$ 90,094,888</u>	<u>\$ (1,938,340)</u>	<u>\$ 237,342</u>	<u>\$ 87,919,206</u>

Depreciation expense was charged to functions as follows:

General government	\$ 344,850
Judicial	796
Public safety	1,009,942
Public works	2,908,202
Health and welfare	42,343
Culture and recreation	686,870
Housing and development	50,417
Total governmental activities depreciation expense	<u>\$ 5,043,420</u>

Total interest cost incurred for governmental activities was \$679,661. All of the interest cost incurred for governmental activities was expensed.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 3: Capital Assets, continued

<u>Business-type Activities:</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Water and Sewer Fund:				
Capital assets not being depreciated:				
Land	\$ 3,442,714	\$ -	\$ -	\$ 3,442,714
Construction in progress	30,980,845	3,745,359	3,176,676	31,549,528
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	<u>34,481,855</u>	<u>3,745,359</u>	<u>3,176,676</u>	<u>35,050,538</u>
Capital assets being depreciated:				
Treatment and distribution system	75,903,764	5,090,468	-	80,994,232
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,056,778	52,235	-	1,109,013
Total capital assets being depreciated	<u>77,256,678</u>	<u>5,142,703</u>	<u>-</u>	<u>82,399,381</u>
Less accumulated depreciation for:				
Treatment and distribution system	22,515,972	1,690,600	-	24,206,572
Buildings and improvements	124,201	9,559	-	133,760
Equipment, furniture and vehicles	915,390	55,926	-	971,316
Total accumulated depreciation	<u>23,555,563</u>	<u>1,756,085</u>	<u>-</u>	<u>25,311,648</u>
Capital assets being depreciated, net	<u>53,701,115</u>	<u>3,386,618</u>	<u>-</u>	<u>57,087,733</u>
Water and sewer capital assets, net	<u>88,182,970</u>	<u>7,131,977</u>	<u>3,176,676</u>	<u>92,138,271</u>
Total Non-major Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets not being depreciated	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Capital assets being depreciated:				
Land improvements	44,865	-	-	44,865
Buildings and improvements	2,836,369	-	-	2,836,369
Equipment, furniture and vehicles	278,978	-	-	278,978
Total capital assets being depreciated	<u>3,160,212</u>	<u>-</u>	<u>-</u>	<u>3,160,212</u>
Less accumulated depreciation for:				
Land improvements	32,822	1,077	-	33,899
Buildings and improvements	1,250,318	63,762	-	1,314,080
Equipment, furniture and vehicles	214,220	9,497	-	223,717
Total accumulated depreciation	<u>1,497,360</u>	<u>74,336</u>	<u>-</u>	<u>1,571,696</u>
Capital assets being depreciated, net	<u>1,662,852</u>	<u>(74,336)</u>	<u>-</u>	<u>1,588,516</u>
Total non-major business-type activities, net	<u>1,812,852</u>	<u>(74,336)</u>	<u>-</u>	<u>1,738,516</u>
Business-type activities capital assets, net	<u>\$ 89,995,822</u>	<u>\$ 7,057,641</u>	<u>\$ 3,176,676</u>	<u>\$ 93,876,787</u>

The Water and Sewer Fund incurred total interest cost of \$1,514,658 of interest costs, of which \$874,306 was capitalized and \$640,352 was expensed.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 4: Interfund Balances and Activity

Interfund balances

Interfund balances at June 30, 2016 consist of the following:

<u>Due to:</u>	<u>Due from:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Non-major Gov't Funds</u>	<u>Water & Sewer Fund</u>	
<u>Governmental funds</u>				
General Fund	\$ -	\$ 117,183	\$ 384,282	\$ 501,465
Non-major Gov't Funds	289,842	11,500	-	301,342
<u>Enterprise funds</u>				
Water and Sewer Fund	-	57,610	-	57,610
Non-major Enterprise Funds	664,774	-	-	664,774
	<u>\$ 954,616</u>	<u>\$ 186,293</u>	<u>\$ 384,282</u>	<u>\$ 1,525,191</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed or are the result of the General Fund maintaining the cash for another fund. Balances that are the result of transactions between funds are the result of current transactions and will be settled within the next year. The General Fund is the custodian for \$269,520 of cash belonging to the Hotel/Motel Fund (a non-major governmental fund) will be settled when the resources are expended by the Hotel/Motel Fund, which may be longer than one year from year-end.

The implementation of the pension accounting standard required the non-major enterprise funds to record significant net pension liabilities. The General Fund reported a transfer and related interfund liability to these funds to cover the newly reported liabilities. The General Fund will liquidate the interfund liability as payments on the pension liability become due. Principally all of these liabilities will come due more than one year from year-end.

Transfers to/from Other Funds

<u>Transfers Out:</u>	<u>Transfers in:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Gov't Funds</u>	<u>Water and Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	
General Fund	\$ -	\$ 1,609,884	\$ -	\$ 559,741	\$ 2,169,625
Non-major Gov't Funds	82,500	72,574	1,438,348	-	1,593,422
	<u>\$ 82,500</u>	<u>\$ 1,682,458</u>	<u>\$ 1,438,348</u>	<u>\$ 559,741</u>	<u>\$ 3,763,047</u>

The county's funds regularly make transfers into funds that are legally required to account for certain expenditures as well as to facilitate the payment of certain expenditures that have multiple funding sources. Of the \$82,500 in transfers from the nonmajor governmental funds, \$66,000 were to assist with debt service payments that were made from the General Fund.

The General Fund transferred out \$1,609,884 to nonmajor gov't funds and \$559,741 to nonmajor enterprise funds to assist in the daily fund operations and to fund capital projects. Included in the transfers from the General Fund to the nonmajor gov't funds are transfers to the E-911 fund used to supplement the E-911 system. The transfers to the nonmajor enterprise funds include a transfer recorded as an internal balance to offset the pension obligations recorded in those funds to ensure that those funds do not have a negative net position.

The SPLOST 2009 Fund transferred \$1,438,348 to the Water and Sewer Fund to assist with capital projects as was approved by the voters in the 2009 SPLOST referendum.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 5: Other Assets

Investment in Upper Oconee Basin Water Authority

The County, along with three other counties, is a member of the Upper Oconee Basin Water Authority (UOBWA). The purpose of this venture was to construct a reservoir and water treatment plant that would provide water for the counties involved. Each government is responsible for a pro-rata share of the costs based on population.

In April 2015, the UOBWA issued \$29.98 million of Series 2015 Revenue Refunding Bonds. These bonds were issued to advance refund the Series 2005 Water Revenue Refunding Bonds. In March 2005, the UOBWA issued \$48,155,000 of Water Revenue Refunding Bonds, Series 2005. The proceeds of the bonds were used to advance refund the Series 1997 Bonds maturing in the years 2009 and thereafter and to pay certain expenses incident to the issuance of the bonds. The County's share of the bond debt is 20.929%. An Investment in UOBWA and an offsetting Contract Payable were recorded in the Oconee County Water and Sewer Fund to recognize this investment and obligation. The County is reducing the Contract Payable through monthly payments made from the Water and Sewer Fund which are more fully described in Note 7.

The investment costs are amortized over the useful lives of the underlying assets of the investment. Approximately 10% of the total investment costs represent the investment into the land, 50% represent the investment into the reservoir, which has a useful life of 100 years, and 40% represent the investment into the treatment plant, which has a useful life of 50 years.

Investment in UOBWA at year-end consisted of the following:

Initial cash costs	\$ 70,221
Contract payable for 20.959% of revenue bond liability	11,787,064
Additional cash investments	41,250
	<u>11,898,535</u>
Accumulated amortization	<u>(2,326,125)</u>
Investment in UOBWA, net	<u><u>\$ 9,572,410</u></u>

Financial statements for the Upper Oconee Basin Water Authority can be obtained at the following address: Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605-2795.

Note 6: Unavailable Grant Reimbursement

The County received a grant from the Georgia Department of Transportation (GDOT) to assist in funding the widening of Mars Hill Road. One of the requirements for receiving reimbursement under that grant is that the grant reimbursements be of sufficient size before they are submitted to the GDOT. The County accumulated \$24,810 of unreimbursed cost as of June 30. Because the reimbursement of costs incurred through June 30 was not received by the County soon enough to be considered "available", the County did not report revenue under the modified accrual basis of accounting in the general fund. Revenue was reported in the governmental activities on the statement of activities because there is no requirement that the funds be "available" under the accrual basis of accounting.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations

Governmental Activities

Categories of Debt

General Obligation Bonds

In September 2011, the County issued \$10,095,000 of Series 2011 Oconee County, Georgia General Obligation Bonds with coupon rates ranging from 1.5% to 5.5%. The proceeds were used to advance refund the then outstanding balance of \$9,805,000 of the Series 2003 Oconee County, Georgia General Obligation Bonds, whose proceeds were used to fund the creation of a new park. Because the County irrevocably placed sufficient assets with a trustee, the remaining outstanding balance of the Series 2003 bonds of \$8,585,000 does not represent a liability of the County. The Series 2011 bonds were issued at a premium of \$428,875. The Series 2011 Bonds are being liquidated by the SPLOST 2009 Fund.

Contracts Payable - OCIDA

The Oconee County Industrial Development Authority (a blended component unit of the County) issued \$10,380,000 of Series 2012 Revenue Bonds with coupon rates ranging from 2% to 4% and \$4,285,000 of Series 2016 Revenue Bonds with a coupon rate of 2.38%. The proceeds from the 2012 bonds were used to provide incentives for a large private employer to locate a factory within the county. The proceeds from the 2016 bonds were used to finance the cost of constructing certain economic development road projects of the County. Both bond issuances are repayable solely through the proceeds of intergovernmental contracts which call for the County to make all of the required debt service payments on the bonds. Pursuant to this contract, the County has agreed to assess property taxes sufficient to make all of the required debt service payments provided that the necessary taxes will not exceed one mill per dollar of assessed value. Because the County is unconditionally liable for the payment of the debt, a contract payable for the entire present value of the debt is reported on the Statement of Net Position. The General Fund will liquidate this liability.

Capital Leases

On October 1, 2015, the County entered into a \$44,141 lease-purchase agreement for the purchase of net motion equipment. The lease is for a period of sixty months at an interest rate of 4.304% and will be liquidated by payments from the E-911 Fund. The assets received under the lease are depreciable under the County's capital asset depreciation policy and the resulting expense is reported as a component of depreciation expense.

On July 1, 2015, the County entered into a \$201,538 lease-purchase agreement for the purchase of Interact E-911 CAD upgrade equipment. The lease is for a period of thirty-six months at an interest rate of 2.082% and will be liquidated by payments from the SPLOST 2009 Fund. The lease is payable in three annual payments. The assets received under the lease are depreciable under the County's capital asset depreciation policy and the resulting expense is reported as a component of depreciation expense.

On July 1, 2015, the County entered into a \$483,512 lease-purchase agreement for the purchase of mobile data terminals. The lease is for a period of thirty-six months at an interest rate of 2.15% and will be liquidated by payments from the SPLOST 2015 Fund. The lease is payable in three annual payments. The assets received under the lease are depreciable under the County's capital asset depreciation policy and the resulting expense is reported as a component of depreciation expense.

The assets recorded under capital leases and the related accumulated amortization are as follows:

	Historical Cost	Accumulated Amortization
Mobile Data Terminals	\$ 483,512	\$ 48,219
Interact Computer Aid Dispatch	201,538	20,099
Net Motion Licenses	44,141	4,402

The County includes the amortization of leased assets in its annual calculation of depreciation expense.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

Conduit Debt

The Oconee County Industrial Development Authority (OCIDA), a blended component unit of the County, has issued several industrial revenue bonds that were used to finance the cost of the acquisition, equipping and improvement of certain land and buildings located in Oconee County, Georgia. The total amount of industrial revenue bonds outstanding at year end was \$19,858,057, made up of three issues. The Authority receives an annual administrative fee of \$10,000 in connection with the issuance of the Series 2012 Bonds. This fee is reported as other income in the financial statements. Although this debt bears the name of the Oconee County Industrial Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf the debt was issued. Therefore, no liability has been reflected in the financial statements for this debt.

Business-type Activities

Revenue Bonds

Series 2003 Bonds

In July 2003, the County issued Series 2003 Water and Sewerage Revenue Bonds in the amount of \$9,375,000, with interest rates ranging from 1.35% to 4.5%. The proceeds of the issue have been used to purchase the land on which the LAS site is located (the County was previously leasing this property), to refinance the GEFA loan, to pay the premium for a surety bond that will fund the debt service reserve, to pay the premium for a municipal bond new issue insurance policy and to pay the costs of issuing the Series 2003 Bonds. The majority of the Series 2003 bonds were advance refunded by the County's issuance of the Series 2012 bonds. At year-end, the Series 2003 Bonds had an outstanding balance of \$100,000. Interest of 4% is due semiannually on the outstanding balance until September 2024 when the outstanding interest and principal are due.

Series 2009 Bonds

In September 2009, the County issued \$7,095,000 of its Series 2009 Water and Sewerage Revenue Bonds with an average interest cost of 3.18%. These bonds consist of serial bonds bearing various fixed rates ranging from 2% to 4% with annual maturities from September 2011 through September 2019. The net proceeds of \$7,129,309 (\$7,095,000 face value plus \$227,288 issuance premium less \$192,980 in issuance costs) were used to complete a current refunding of the Series 1998 Water and Sewerage Revenue Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$557,730 and is being charged to interest expense through the year 2020 using the straight-line method.

Series 2012 Bonds

During July 2012, the County issued \$6,740,000 of Series 2012 Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds with coupon rates ranging from 2% to 5%. The bonds were issued at a premium of \$1,295,000 with issuance costs of \$177,500 which yielded net proceeds of \$7,857,500. The proceeds of these bonds were used to advance refund \$7,390,000 of the remaining outstanding balance of the Series 2003 Oconee County, Georgia Water and Sewerage Revenue Bonds. During 2012, \$7,390,000 of the Series 2003 Bonds were called and legally retired. As of year-end, the Series 2003 Water and Sewer Revenue Bonds had an outstanding balance of \$100,000 as noted above.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$557,730. This was recorded as a deferred charge under the title "deferred amount on debt refunding" and is being amortized to interest expense through the year 2020 using the straight-line method.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

Contract Payable- UOBWA

In April 2015, the UOBWA issued a total of \$29,980,000 of its Series 2015 Revenue Refunding Bonds (Series 2015 Bonds) which advance refunded the Series 2005 Bonds and provided additional working capital for UOBWA. The County signed an intergovernmental agreement which requires the County to make monthly interest and principal payments to UOBWA for its 20.959% share of the interest and principal payments due under the Series 2015 Bonds. The original principal of the County's share payable under this agreement is \$6,283,508. The monthly principal payments will range from \$37,115 to \$53,620 and the interest payments will accrue at a weighted average yield of 2.06%.

The County's share of the difference between UOBWA's carrying value of the Series 2005 bonds as of the refunding date and the issuance price of the Series 2015 Bonds was \$352,272 and is included in the amount entitled "deferred amount on debt refunding" on the Water and Sewer statement of net position. This amount will be amortized to interest expense over the life of the Series 2015 Bonds.

Contracts Payable – WCWSA

In October 2007, Oconee County entered into an Intergovernmental Contract-Reservoir Project with Walton County and the Walton County Water and Sewerage Authority (WCWSA). This contract indicated that WCWSA would issue the Walton County Water and Sewerage Authority Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000. The proceeds from the Series 2008 Bonds will be used by the Authority for the purpose of financing or refinancing all or a portion of the cost of acquiring, constructing, installing and equipping a reservoir and related treatment and transmission facilities, paying capitalized interest on the Series 2008 Bonds, funding a debt service reserve and paying the costs of issuing the Series 2008 Bonds. The Series 2008 Bonds carry a coupon rate, payable semi-annually, ranging from 4-5%. Principal on the Series 2008 Bonds is due in amounts ranging from \$470,000 to \$1,335,000 between 2015 and 2038.

Under the terms of the Contract, the County has agreed to pay the Authority amounts sufficient to pay the debt service on the Series 2008 Bonds. The County intends to make the Contract Payments with moneys derived from its water and sewerage system. However, the County System Revenues have not been pledged as security for the Contract Payments or the Series 2008 Bonds. In the event that the County System Revenues are insufficient to make the Contract Payments, the County has agreed to levy an ad valorem property tax, unlimited as to rate or amount, on all property in the County subject to taxation for such purposes in order to make the Contract Payments. The County will make monthly payments over to the Authority that total the amount of the semi-annual payments due under the bonds. The contract matures on February 1, 2038.

During July 2015, the WCWSA completed a partial advance refunding for \$8,140,000 of the Series 2008 Bonds by issuing \$8,425,000 of its Series 2015. The County signed an intergovernmental contract for these bonds that is substantially the same as the one related to the Series 2008 Bonds. Immediately after the refunding, \$10,925,000 of the Series 2008 Bonds were outstanding that were not affected by the refunding. The refunded portion of the Series 2008 bonds had a carrying value as of the refunding date of \$8,283,913 and reacquisition price of the refunded bonds was \$9,397,590. This resulted in a deferred charge of \$1,113,677 that will be amortized to interest expense over the life of the Series 2015 Bonds.

The payments required to liquidate the contract payable related to the refunded portion of the Series 2008 Bonds was \$14,888,750 and the payments required to liquidate the contract payable related to the newly issued Series 2015 Bonds is \$13,893,177. This is a reduction of \$995,573. The economic gain on refunding, calculated by discounting the cash flow savings using the average yield of the Series 2015 Bonds, is \$757,832. The \$8.14 million of refunded Series 2008 Bonds are considered to be defeased because the County has irrevocably transferred to a trustee an amount adequate to completely retire the \$8.14 million of refunded bonds. Since the refunded bonds have been defeased, they are no longer accounted for as an obligation of the County even though all of the refunded bonds were still legally outstanding at year-end.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

Notes Payable – GEFA

The Walton County Water and Sewer Authority entered into a note payable with the Georgia Environmental Finance Authority (GEFA) during 2013. Oconee County is obligated to pay 28.8% of the amounts payable under that note pursuant to the intergovernmental agreement that establishes the Hard Labor Creek Reservoir Project (HLC). The note allows for up to \$20,000,000 of borrowing, of which the County's share would be \$5,760,000. At year-end, the entire note balance had been drawn and was outstanding. The note calls for no interest to be paid during the construction period, which continues until August 2016. During the repayment period, annual interest only payments at 1% interest will be made. All remaining outstanding interest and the outstanding principal will be paid in one payment on December 31, 2052.

During July 2014, WCWSA entered into a second note payable with GEFA which allows for \$12,000,000 of borrowing, of which the County's share would be \$3,456,000. At year-end, WCWSA had drawn \$7,344,067 on the note and the County's share was \$2,115,091. All of the money drawn during the year was still outstanding at year-end. The note calls for no interest to be paid during the construction period, which could continue until January 2018. From that date, the County will make 60 monthly interest only payments with interest accruing at 2%. Afterward, the County will make equal 419 monthly principal and interest payments of an amount sufficient to pay the interest accruing at 2% and all principal due under the note. Based on current borrowings, these monthly payments would be \$7,018.

Because the notes bear interest at rates that differ substantially from the market interest rate available to the County, the accounting standards required that the County discount the required debt service payments using the County's market yield on debt with similar terms. The County estimated that the market yield that it would be required to pay would be 3% and used this rate to calculate the discount on this debt. This discount will be amortized to interest expense over the life of the loan.

Changes in long-term obligations for the year are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Contracts payable - OCIDA	\$ 9,970,000	\$ 4,285,000	\$ 415,000	\$ 13,840,000	\$ 425,000
Less: discount	(10,079)	-	(540)	(9,539)	-
Net contracts payable	<u>9,959,921</u>	<u>4,285,000</u>	<u>414,460</u>	<u>13,830,461</u>	<u>425,000</u>
General obligation bonds	9,725,000	-	390,000	9,335,000	400,000
Issuance premiums	357,321	-	20,419	336,902	-
Net bonds payable	<u>10,082,321</u>	<u>-</u>	<u>410,419</u>	<u>9,671,902</u>	<u>400,000</u>
Capital leases	-	729,191	227,516	501,675	236,582
Total contracts payable, bond payable and capital leases, net	20,042,242	5,014,191	1,052,395	24,004,038	1,061,582
Net pension liability	6,820,739	3,018,550	1,693,963	8,145,326	-
Compensated absences	642,381	460,536	383,329	719,588	23,432
Total governmental activities	<u>\$ 27,505,362</u>	<u>\$ 8,493,277</u>	<u>\$ 3,129,687</u>	<u>\$ 32,868,952</u>	<u>\$ 1,085,014</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type activities:					
Notes payable - GEFA	\$ 7,536,225	\$ 338,867	\$ -	\$ 7,875,092	\$ -
Less: discounts on GEFA notes	<u>(3,019,975)</u>	<u>(26,986)</u>	<u>-</u>	<u>(3,046,961)</u>	<u>-</u>
Total notes payable	<u>4,516,250</u>	<u>311,881</u>	<u>-</u>	<u>4,828,131</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	6,283,508	-	445,265	5,838,243	452,714
Plus: issuance premium	692,766	-	57,730	635,036	
WCWSA Contract payable	18,369,986	8,425,000	7,939,986	18,855,000	530,000
Less: issuance discount	<u>(104,944)</u>	<u>-</u>	<u>(47,437)</u>	<u>(57,507)</u>	<u>-</u>
Total contracts payable	<u>25,241,316</u>	<u>9,194,090</u>	<u>8,431,699</u>	<u>26,003,707</u>	<u>982,714</u>
Bonds payable:					
Revenue bonds	11,110,000	-	1,050,000	10,060,000	1,085,000
Deferred amounts:					
Issuance discounts	(1,786)	-	(223)	(1,563)	-
Issuance premiums	<u>1,049,217</u>	<u>-</u>	<u>139,607</u>	<u>909,610</u>	<u>-</u>
Total bonds payable	<u>12,157,431</u>	<u>-</u>	<u>1,189,384</u>	<u>10,968,047</u>	<u>1,085,000</u>
Total notes payable, contracts payable and bonds payable, net	41,914,997	9,505,971	9,621,083	41,799,885	2,067,714
Net pension liability - Water	530,989	300,737	168,769	662,957	-
Net pension liability - Nonmajor	310,949	60,154	33,757	337,346	-
Compensated absences - Water	84,591	25,841	40,592	69,840	-
Compensated absences - Nonmajor	<u>26,397</u>	<u>21,780</u>	<u>23,848</u>	<u>24,329</u>	<u>-</u>
Total Business-type activities	<u>\$ 42,867,923</u>	<u>\$ 9,914,483</u>	<u>\$ 9,888,049</u>	<u>\$ 42,894,357</u>	<u>\$ 2,067,714</u>

The business-type bonds payable amounts reported above consist of the following individual revenue bond issues:

	<u>2003 Series</u>	<u>2009 Series</u>	<u>2012 Series</u>	<u>Total</u>
Outstanding bond payable	\$ 100,000	\$ 3,450,000	\$ 6,510,000	\$ 10,060,000
Unamortized discount	(1,563)	-	-	(1,563)
Unamortized premium	-	71,975	837,635	909,610
Net total	<u>\$ 98,437</u>	<u>\$ 3,521,975</u>	<u>\$ 7,347,635</u>	<u>\$ 10,968,047</u>

All business-type notes, contracts and bonds payable presented above represent liabilities of the Water and Sewer Fund.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at year-end are as follows:

Governmental activities

Year Ending June 30,	General Obligation Bonds		Contracts Payable - OCIDA	
	Principal	Interest	Principal	Interest
2017	\$ 400,000	\$ 371,235	\$ 425,000	\$ 392,865
2018	415,000	351,235	870,000	358,458
2019	435,000	330,485	890,000	339,199
2020	445,000	313,085	910,000	319,736
2021	470,000	290,835	930,000	297,941
2022 - 2026	2,615,000	1,137,613	4,985,000	1,147,086
2027 - 2031	3,125,000	617,293	2,875,000	621,389
2032 - 2034	1,430,000	82,080	1,955,000	143,815
	<u>\$ 9,335,000</u>	<u>\$ 3,493,861</u>	<u>\$ 13,840,000</u>	<u>\$ 3,620,489</u>

Future minimum lease payments at year-end are:

Year Ending June, 30	Governmental Activities
2017	247,988
2018	247,980
2019	9,829
2020	9,829
2021	4,914
Minimum lease payments	520,540
Less: Interest	(18,865)
Net present value of minimum lease payments	<u>\$ 501,675</u>

Business-type activities

Year Ending June 30,	Water and Sewer Fund					
	2003 Revenue Bonds		2009 Revenue Bonds		2012 Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ -	\$ 4,500	\$ 845,000	\$ 126,931	\$ 240,000	\$ 298,000
2018	-	4,500	870,000	95,800	250,000	291,850
2019	-	4,500	900,000	55,900	265,000	284,125
2020	-	4,500	835,000	16,700	380,000	274,450
2021	-	4,500	-	-	1,270,000	237,000
2022 - 2024	100,000	11,250	-	-	4,105,000	309,625
	<u>\$ 100,000</u>	<u>\$ 33,750</u>	<u>\$ 3,450,000</u>	<u>\$ 295,331</u>	<u>\$ 6,510,000</u>	<u>\$ 1,695,050</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 7: Long-term Obligations, continued

Year Ending June 30,	Water and Sewer Fund					
	Contract Payable - UOBWA		Contract Payable - WCWSA		Notes Payable - GEFA	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 452,714	\$ 223,229	\$ 530,000	\$ 823,750	\$ -	\$ 14,346
2018	461,098	214,175	550,000	802,800	-	75,491
2019	474,721	200,342	570,000	781,050	-	100,167
2020	489,393	186,100	595,000	757,975	-	100,167
2021	504,064	171,418	620,000	733,156	-	100,167
2022 - 2026	2,812,698	564,343	3,530,000	3,231,125	148,087	495,954
2027 - 2031	643,555	32,172	4,415,000	2,349,250	235,780	474,628
2032 - 2036	-	-	5,435,000	1,386,250	260,555	449,853
2037 - 2041	-	-	2,610,000	197,250	287,934	422,474
2042 - 2046	-	-	-	-	318,190	392,218
2047 - 2051	-	-	-	-	351,625	358,783
2052 - 2056	-	-	-	-	6,148,573	206,105
2057 - 2058	-	-	-	-	124,348	1,978
	<u>\$ 5,838,243</u>	<u>\$ 1,591,779</u>	<u>\$ 18,855,000</u>	<u>\$ 11,062,606</u>	<u>\$ 7,875,092</u>	<u>\$ 3,192,331</u>

Debt Covenants

The bond and note indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage ratios. Management believes the County is in compliance with all such significant financial limitations and restrictions.

Note 8: Net Position Restricted By Enabling Legislation

In 2003, 2009 and 2015, referendums were passed providing for a 1% sales tax to be used by the County for various construction projects.

Additionally, the County maintains several special revenue funds to account for activities that have revenues that are restricted by Georgia law.

The County reports restrictions on the use of the remaining fund balance in the funds as follows:

Capital projects	\$ 10,441,941
Judicial	148,842
Public safety	108,490
Housing and Development	145,007
	<u>\$ 10,844,280</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits

Defined Benefit Pension Plan

The County provides a defined benefit retirement program for its employees.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Oconee County Employees (The Plan). The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan Third Restate Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Complete financial statements for The Plan can be obtained directly from the plan administrator at:

GEBCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after ten years of service. Participants employed before August 2010 become eligible to retire at age 65 with 5 years of participation in the Plan. Employees hired after August 2010 must have 10 years of service to be eligible to retire with benefits from the Plan. Upon eligibility to retire, participants are entitled to an annual of 2% of the average annual compensation multiplied by the participant's years of service, payable as a life annuity. Average annual compensation is based on the highest average of the Participant's compensation over two consecutive plan years during the ten plan years preceding the Participant's date of retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Plan Asset Mix and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in cash value of death benefits. Plan member contributions are recognized when due and the County has made a formal commitment to provide the contributions.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties except for current receivables of plan contributions due from the County.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

Plan Membership

Retirees, beneficiaries and disabled receiving benefits	77
Terminated plan members entitled to but not receiving benefits	104
Active plan members	196
 Total	 377
 Covered compensation for active participants	 \$ 8,439,900

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the employer and its plan members. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement. The County's actuarially required contribution was \$1,623,896 and its actual contribution was \$1,716,341, or 106% of the required contribution and 20.34% of the covered compensation. The County paid its contribution during December 2015, so the County reported no payable and the plan reported no receivable for amounts due for the 2015 plan year.

Net Pension Liability

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2015 and the *net pension liability* was measured as of the same date. The December 31, 2015 actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement as follows:

Actuarial Methods and Assumptions

Investment return	7.50%
Salary increases	5.00% with an age based scale as follows:

Age	Salary increase
Under 30	5.0% plus 1.5%
30-39	5.0% plus 1.0%
40-49	5.0% less 0.5%
50+	5.0% less 1.0%
Based on the results of a February 2014 experience study	
Future payroll growth	5.50% per year

No cost of living adjustments are awarded after retirement.

Mortality: RP-2000, Projected with Scale AA

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

Change in Assumptions

The actuarial valuation as of December 31, 2015 used the RP-2000 mortality table, projected with Scale AA in estimating the total pension liability. Prior valuations used the RP-2000 mortality table. Changing the mortality table used in the valuation resulted in the actuarially determined total pension liability increasing by \$945,358.

Discount Rate

The discount rate is determined using a building block approach based on 20-year benchmarks (25% weighting), 30-year benchmarks (25% weighting), and forward-looking capital market assumptions for moderate asset allocations as determined by UBS (50% weighting). The discount rate is rounded to the nearest 0.25%.

The discount rate is calculated as follows:

	<u>Expected return</u>	<u>Weighting</u>	<u>Weighted return</u>
20-year benchmark weighted average return	7.44%	25%	1.86%
30-year benchmark weighted average return	9.49%	25%	2.37%
UBS capital market moderate asset allocation assumption	6.30%	50%	<u>3.15%</u>
Calculated discount rate			<u><u>7.38%</u></u>
Rounded to the nearest 0.25% and used as the discount rate			7.50%

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

<u>Benchmark</u>	<u>Allocation</u>	<u>Average 20 Year Return</u>	<u>Average 30 Year Return</u>
S&P 500	30%	8.80%	10.74%
Barclay's Agg.	30%	5.75%	7.80%
MCSE EAFE	15%	5.44%	9.51%
Citi Non US WEBI	5%	5.48%	5.48%
NAREIT Equity	5%	9.91%	11.35%
Russell 2000	5%	8.96%	9.37%
Russell 3000	5%	8.89%	10.58%
S&P Mid-cap	<u>5%</u>	11.83%	13.21%
	<u><u>100%</u></u>		
Weighted average return		7.44%	9.49%

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

The above calculated discount rate was used to calculate both the beginning and ending total pension liability. The average contribution made to the plan over the last 5 years was used to project plan assets. The projected plan assets are sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all projected promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

Because of the sensitivity of the calculation of the total pension liability to relatively small changes in the discount rate, the total pension liability calculated using discount rates one percentage point higher and lower than the discount rates actually used to calculate the total pension liability follows:

	Discount Rate	
	Sensitivity Analysis	
	<u>6.50%</u>	<u>8.50%</u>
Total Pension Liability	\$ 27,942,540	\$ 21,488,486
Fiduciary Net Position	<u>15,273,164</u>	<u>15,273,164</u>
Net Pension Liability	<u>\$ 12,669,376</u>	<u>\$ 6,215,322</u>

Summary of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability

The changes in the total pension liability from the beginning to the ending of the year are as follows:

Summary of Changes	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Beginning of year	22,193,423	14,530,746	7,662,677
Changes during the plan year:			
Service cost	660,206	-	660,206
Interest on total pension liability	1,630,194	-	1,630,194
Liability experience (gain)/loss	(95,391)	-	(95,391)
Assumption change	945,358	-	945,358
Employer contributions	-	1,716,341	(1,716,341)
Employee contributions	-	-	-
Net investment income	-	152,431	(152,431)
Benefit payments	(914,999)	(914,999)	-
Administrative expenses	-	(44,145)	44,145
Other expense	-	(167,210)	167,210
Net change	<u>2,225,368</u>	<u>742,418</u>	<u>1,482,950</u>
End of year	<u>\$ 24,418,791</u>	<u>\$ 15,273,164</u>	<u>\$ 9,145,627</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

Pension Expense, Deferred Outflows Related to Pension Items and Deferred Inflows Related to Pension Items

The following schedule reconciles the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension Expense and Deferred Outflows and Inflows

Pension contributions	\$ 1,716,341
Change in net pension liability	1,482,950
Deferred outflow related to investment results	(794,259)
Deferred outflow related to change in assumptions	(945,358)
Deferred inflows related to experience gain	95,391
Amortization of deferred inflows	(14,453)
Amortization of deferred outflows	<u>143,236</u>
Pension expense	<u><u>\$ 1,683,848</u></u>

The unamortized deferred outflows and inflows related to pension items are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 80,938
Change of assumptions	802,121	-
Net difference between projected and actual earnings on Plan investments	<u>912,298</u>	<u>-</u>
	<u><u>\$ 1,714,419</u></u>	<u><u>\$ 80,938</u></u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

The County made its pension contribution for the 2015 plan year (calendar year 2015) in December 2015. Accordingly, the County did not make any contributions to the pension plan between the measurement date and the County's fiscal year-end, so the County does not report a deferred outflow of resources related to pension contributions. None of the deferred outflows of resources will be recognized as a reduction of the net pension liability.

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The County amortizes differences between actual and expected experience and any changes in assumptions over the expected remaining service period of participants. The expected amortization of the County's current deferred outflows and inflows over the next five years is:

Year ended June 30,	<u>Experience Difference</u>	<u>Assumption Change</u>	<u>Investment Results Difference</u>
2017	\$ 14,453	\$ 143,236	\$ 235,451
2018	14,453	143,236	235,451
2019	14,453	143,236	235,451
2020	14,453	143,236	205,945
2021	14,453	143,236	-
2022	8,673	85,941	
	<u>\$ 80,938</u>	<u>\$ 802,121</u>	<u>\$ 912,298</u>

Deferred Compensation Plan

The County offers employees the Oconee County Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan is administered by an independent third party plan administrator. As a result, the assets and liabilities of the plan are not recorded on the County's financial statements. All contributions to this plan are voluntary employee contributions.

Defined Contribution Plan

The County has also established the Oconee County 401(a) Defined Contribution Plan through adoption of the ACCG 401(a) Defined Contribution Program. The plan was established to provide benefits at retirement to Oconee County employees. There are no employee or employer contributions at this time. The County has delegated certain administrative responsibilities to ACCG, or its designee. Plan provisions are established and may be amended by the Board of Commissioners.

In addition, the following pension and retirement plans are in effect, but are not under the direct control of the County:

Extension Service Employees Retirement Plan

Employees of the Oconee County Agricultural Extension Service are covered under the Teachers Retirement System of Georgia. The General Fund contributes 9.24% of these employees' compensation to their pension fund.

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan that requires that certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 9: Retirement Benefits, continued

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

Note 10: Other Postemployment Benefits (OPEB)

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires the recognition of certain postemployment obligations in the accrual basis financial statements of state and local governments. The purpose of the statement is to require local governments to recognize the cost of promised postemployment benefits as those benefits are earned by employees. Consequently, the expense recorded in the accrual basis statements of the County reports the actuarially determined cost of benefits earned this year plus an amortization component of benefits earned in previous years. The actuarial valuation of the County's postemployment benefits amortizes the cost of the previously earned benefits over 30 years

The County provides postretirement health care benefits under the Oconee County Health Care Plan to former employees who retired prior to 2010, certain former employees who retired in 2010 and 2011 and current employees who remain insured by the County's health plan throughout their employment with the County through at least age 65 provided that the employee has at least 5 years of service. The plan is a single employer plan, and it does not issue a separately available financial report. The County contributes toward retiree health costs on the authority of a resolution by the Board of Commissioners. Any plan amendments would similarly be approved by a resolution of the Board of Commissioners.

The County contributes around \$215 per month towards a retiree's Medicare supplement premium. Dependent cost is the responsibility of the retiree, but neither retirees nor current employees contribute toward the plan. During the fiscal year, expenditures of \$138,709 were recognized for retiree health care and Medicare supplements. The County has the following participants in its plan:

Retired participants	55
Active participants	<u>192</u>
Total participants	<u><u>247</u></u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 10: Other Postemployment Benefits (OPEB), continued

The Actuarial Accrued Liability and the Unfunded Actuarial Accrued Liability for the County's OPEB are calculated as follows:

Retired participants	\$ 2,649,177
Active participants	<u>2,112,167</u>
Actuarial Accrued Liability (AAL)	4,761,344
Less: Present value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 4,761,344</u></u>

The County finances its postemployment benefits on a pay-as-you-go basis. The cumulative Annual Required Contribution (ARC) from the implementation of GASB Statement No. 45 as determined by the actuarial valuation exceeded the County's cumulative expenditures on a pay-as-you-go basis. This results in the County reporting a Net OPEB Obligation. The ARC and the Net OPEB benefit are calculated as follows:

Normal cost (current service cost)	\$ -
Amortization of UAAL (share of past service cost)	<u>107,540</u>
Annual Required Contribution (ARC)	320,818
Interest on Net OPEB Obligation	(4,880)
Adjustment to Annual Required Contribution	<u>3,233</u>
Annual OPEB Cost	319,171
OPEB costs paid during year	<u>(138,709)</u>
Change in Net OPEB Obligation	180,462
Net OPEB Obligation/(Asset), beginning	<u>(122,009)</u>
Net OPEB Obligation/(Asset), ending	<u><u>\$ 58,453</u></u>
Percentage of ARC contributed	43%

The County finances its postemployment benefits on a pay-as-you-go basis resulting in the County having no present value of plan assets. Consequently, all of the actuarial accrued liability is unfunded. A three year history of funding information for Other Postemployment Benefits is presented in the required supplementary information immediately following the footnotes that provides information about whether the funded ratio is increasing or decreasing over time. The following contains summary information about the County's funding progress for its OPEB obligation:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	\$ -	\$ 4,761,344	\$ 4,761,344	0%	\$ 7,951,720	59.9%

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 10: Other Postemployment Benefits (OPEB), continued

Trend Information

Year Ended	OPEB Cost	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation/(Asset)
6/30/2016	\$ 319,171	\$ 138,709	43%	\$ 58,453
6/30/2015	\$ 107,735	\$ 143,792	133%	\$ (122,009)
6/30/2014	\$ 107,735	\$ 164,229	152%	\$ (85,952)

Actuarial Assumptions and Methods

The actuary performed his valuation based on the benefits offered under the plan as explained by the County. The actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial valuation projects the costs of the benefits provided based on the substantive plan currently in place and the relative cost sharing of the plan between the County and the retired employees. The actuarial calculations reflect a long-term perspective, consistent with that perspective the methods and assumption used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The following table contains the significant methods used and assumptions made by the actuary for purposes of the actuarial valuation:

Valuation date	06/30/16
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	23 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return (includes 3% inflation)	4%
Medical cost trend rate	5% premium increase annually

The actuarial valuation used the same medical cost trend rate for all years.

Immediately following the notes is a required schedule of funding progress which presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 11: Risk Management

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Note 12: Landfill Costs

The Oconee County landfill received no solid waste after October 8, 1993. It currently operates only as a transfer station and was officially declared closed by the EPD in 1996. Thus, the County is only responsible for minor monitoring of the closed facility and is not subject to GASB 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs," which is based on the EPA rule that establishes thirty-year postclosure care requirements for landfills that accept solid waste after October 9, 1993.

During fiscal year 2016, the County obtained a permit from EPD to accept inert waste. The assured cost are defined as the sum of closure plus post closure plus corrective action care cost. The annual post-closure care costs are estimated at \$29,621. The 30 year post closure cost estimate is \$888,615. Therefore, the total financial assurance required is \$1,177,514.

Note 13: Contingencies and Commitments

Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

The County is a defendant in several lawsuits, which arose in the ordinary course of its activities. The County records liabilities resulting from such claims and litigation only when they become probable and measurable. No liability has been recorded for any of the lawsuits currently in process. However, the County attorney and the County's management believe that damages, if any, that are to be paid by the County in excess of insurance coverage will not be material to the financial statements.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2016

Note 14: Joint Ventures

Northeast Georgia Regional Commission (RC)

Oconee County, Georgia, along with cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The Board is comprised of not less than two (2) or more than five (5) representatives of each member county served by the RC. The manner of selecting such representatives from each member county is as follows:

- * The chief elected official or the chair of the board of commissioners of each county served by the Center shall be a member (or a designated government official).
- * One elected or appointed municipal government official from each county served by the Center. The mayors of the municipalities in such county shall select the municipal representative of that county.
- * Not less than ten (10) or more than twenty (20) public members.
- * A minority representation, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest United States Census.

The Georgia Planning Act of 1989 (*O.C.G.A. 50-8-34*) defines RCs as “public agencies and instrumentalities of their members”. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (*O.C.G.A. 50-8-39.1*) Complete financial statements of the Northeast Georgia Regional Commission can be obtained directly from the RC’s administrative office at 305 Research Drive, Athens, Georgia 30605.

Note 15: Hotel Motel Lodging Tax

Oconee County, Georgia has levied a 6% lodging tax. During the year ended June 30, 2016, the County received \$156,147 in hotel motel tax revenue of this amount, 60% must be spent in accordance with O.C.G.A 48-13-51(a) (4). During the current fiscal year, the Hotel Motel Tax fund had \$143,396 in expenditures. Of these expenditures, \$71,000 was spent from the restricted portion of fund balance and \$72,396 was spent from the unrestricted portion of the tax (40%). At June 30, 2016, \$282,306 was the balance of restricted fund balance and restricted net position. This amount represents the restricted portion of the tax (60%) and will be spent in accordance with O.C.G.A 48-13-51(a) (4).

Note 16: Subsequent Event

Subsequent to year-end, the Walton County Water and Sewerage Authority (WCWSA) issued its Series 2016 Refunding Revenue Bonds in the amount of \$9,465,000 to partially refund the portion of its Series 2008 Revenue Bonds that were not refunded with its Series 2015 Refunding Revenue Bond issuance. An intergovernmental contract between the County and the WCWSA requires the County to make the principal and interest payments on the bonds as part of its contribution toward the construction of the Hard Labor Creek Reservoir. The Series 2016 bonds have an average yield of 2.77% and are projected to result in approximately \$1,700,000 in interest savings to the County over the life of the bonds.

Required Supplementary Information

Oconee County, Georgia
Required Supplementary Information
Retirement Plan - Schedule of Changes in the County's Net Pension Liability and Related Ratios

	Year Ended June 30,	
	<u>2015</u>	<u>2016</u>
Changes in Total Pension Liability		
Total Pension Liability - beginning of year	\$ 20,916,657	\$ 22,193,423
Service cost	662,925	660,206
Interest on total pension liability	1,534,234	1,630,194
Assumption change	-	945,358
Benefit payments (adjusted for interest)	(920,393)	(914,999)
Liability experience gain / loss	-	(95,391)
Total Pension Liability - end of year	<u>22,193,423</u>	<u>24,418,791</u>
Changes in Fiduciary Net Position		
Fiduciary Net Position - beginning of year	12,912,277	14,530,746
Employer contributions	1,781,612	1,716,341
Net investment income	849,702	152,431
Benefit payments	(920,393)	(914,999)
Administrative expense	(41,842)	(44,145)
Other	(50,610)	(167,210)
Fiduciary Net Position - end of year	<u>14,530,746</u>	<u>15,273,164</u>
Net Pension Liability	<u>\$ 7,662,677</u>	<u>\$ 9,145,627</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	65.47%	62.55%
Covered payroll	\$ 8,409,345	\$ 8,439,900
Net Pension Liability as % of Covered Payroll	91.12%	108.36%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

Schedule of County Pension Contributions

	Contributions in Relation to Actuarially Determined Contribution	Contributions as Percentage of Covered Employee Payroll
	Actuarially Determined Contribution	Contribution Deficiency (Excess)
	Actuarially Determined Contribution	Covered Employee Payroll
2016	\$ 1,623,896	\$ 8,439,900
2015	1,754,892	8,409,345
	\$ 1,716,341	20.34%
	(92,445)	21.19%
	(26,720)	

Unavailable historical information is not required to be reported in the implementation year under GASB Statement No. 68. The information will be reported as it becomes available.

Oconee County, Georgia
Required Supplemental Information
Other Postemployment Benefits - Schedule of Funding Progress
June 30, 2016

OTHER POSTEMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Projected Unit Credit		Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
		\$					
7/1/2015	\$ -	\$ 4,761,344		\$ 4,761,344	0.0%	\$ 7,951,720	59.9%
7/1/2013	-	2,307,688		2,307,688	0.0%	-	0.0%
7/1/2011	-	2,790,731		2,790,731	0.0%	-	0.0%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution		Amount Contributed		Percentage Contributed
	\$		\$		
6/30/16	\$ 319,171		\$ 138,709		43.5%
6/30/15	107,735		143,792		133.5%
6/30/14	107,735		164,229		152.4%
6/30/13	121,537		153,889		126.6%
6/30/12	121,537		164,201		135.1%
6/30/11	70,324		90,488		128.7%
6/30/10	57,702		25,000		43.3%
6/30/09	640,255		25,000		3.9%

Oconee County, Georgia
Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (by Department) and Actual - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 19,637,700	\$ 20,770,520	\$ 21,005,700	\$ 235,180
Licenses and permits	557,750	557,750	746,715	188,965
Intergovernmental revenue	35,000	1,233,100	1,236,635	3,535
Charges for services	2,457,350	2,457,550	2,486,982	29,432
Fines and forfeitures	354,500	354,500	326,433	(28,067)
Investment income	13,500	13,500	27,288	13,788
Contributions and donations	-	-	2,429	2,429
Miscellaneous	64,700	64,700	143,786	79,086
Total revenues	<u>23,120,500</u>	<u>25,451,620</u>	<u>25,975,968</u>	<u>524,348</u>
EXPENDITURES				
Department level:				
Commission	414,495	585,095	574,706	10,389
Administration	444,126	444,126	423,565	20,561
Human resources	458,743	481,443	472,628	8,815
Finance	645,383	645,383	536,346	109,037
Law enforcement	3,538,943	3,538,943	3,383,888	155,055
Jail	2,492,098	2,627,458	2,526,652	100,806
Tax commissioner	438,227	450,227	440,959	9,268
Probate court	457,847	472,947	469,321	3,626
Clerk of courts	753,967	753,967	721,473	32,494
Juvenile court	91,975	91,975	90,024	1,951
Superior court	394,989	394,989	310,789	84,200
District attorney	27,475	27,475	26,682	793
Magistrate court	80,045	90,545	87,772	2,773
Coroner	26,644	31,644	30,583	1,061
Tax assessor	574,847	619,737	615,333	4,404
Board of elections	219,254	233,254	226,945	6,309
Public works	2,257,778	3,523,878	3,354,386	169,492
Parks and recreation	2,540,078	2,632,259	2,550,576	81,683
Operations	1,689,441	1,714,681	1,654,184	60,497
Public safety	1,233,775	1,300,955	1,233,137	67,818
Planning	194,478	194,478	154,411	40,067
Code enforcement	756,431	789,156	774,706	14,450
Information technology	603,699	660,699	640,972	19,727
Community development	-	650,561	647,520	3,041
Joint governmental programs	877,568	909,926	902,706	7,220
Total expenditures	<u>21,212,306</u>	<u>23,865,801</u>	<u>22,850,264</u>	<u>1,015,537</u>
Excess of revenues over expenditures	1,908,194	1,585,819	3,125,704	1,539,885
OTHER FINANCING SOURCES (USES)				
Proceeds of capital asset dispositions	-	-	64,193	64,193
Transfers in	16,500	82,500	82,500	-
Transfers (out)	(2,527,253)	(2,247,360)	(2,169,625)	77,735
Total other financing sources (uses)	<u>(2,510,753)</u>	<u>(2,164,860)</u>	<u>(2,022,932)</u>	<u>141,928</u>
Net change in fund balances	(602,559)	(579,041)	1,102,772	1,681,813
Fund balance - beginning	9,718,748	9,718,748	9,718,748	-
Fund balances - ending	<u>\$ 9,116,189</u>	<u>\$ 9,139,707</u>	<u>\$ 10,821,520</u>	<u>\$ 1,681,813</u>

Oconee County, Georgia
Reconciliation of Budget Expenditures by Department to
GAAP Basis Budget - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 414,495	\$ 585,095	\$ 574,706	\$ 10,389
Administration	444,126	444,126	423,565	20,561
Human resources	458,743	481,443	472,628	8,815
Finance	645,383	645,383	536,346	109,037
Board of elections	219,254	233,254	226,945	6,309
Information technology	603,699	660,699	640,972	19,727
Tax commissioner	438,227	450,227	440,959	9,268
Tax assessor	574,847	619,737	615,333	4,404
Operations	1,225,749	1,225,749	1,170,774	54,975
Superior court - Board of equalization	5,500	5,500	3,063	2,437
Judicial:				
Superior court	389,489	389,489	307,726	81,763
Clerk of courts	753,967	753,967	721,473	32,494
District attorney	27,475	27,475	26,682	793
Magistrate court	80,045	90,545	87,772	2,773
Probate court	457,847	472,947	469,321	3,626
Juvenile court	91,975	91,975	90,024	1,951
Public safety:				
Law enforcement	3,538,943	3,538,943	3,383,888	155,055
Jail	2,492,098	2,627,458	2,526,652	100,806
Public safety	1,233,775	1,300,955	1,233,137	67,818
Coroner	26,644	31,644	30,583	1,061
Public works:				
Public works	2,257,778	3,523,878	3,354,386	169,492
County facilities	463,692	488,932	483,410	5,522
Health and welfare:				
Joint gov't programs-health and welfare	247,750	249,250	249,123	127
Culture and recreation:				
Parks and recreation	2,540,078	2,632,259	2,550,576	81,683
Joint gov't program-library	462,500	483,458	481,170	2,288
Housing and development:				
Community development	-	206,561	209,539	(2,978)
Joint gov't program-development	167,318	177,218	172,413	4,805
Code enforcement	756,431	789,156	774,706	14,450
Planning	194,478	194,478	154,411	40,067
Total current expenditures	<u>21,212,306</u>	<u>23,421,801</u>	<u>22,412,283</u>	<u>1,009,518</u>
Debt service:				
Principal payments:				
Community development	-	415,000	415,000	-
Total principal payments	<u>-</u>	<u>415,000</u>	<u>415,000</u>	<u>-</u>
Interest payments:				
Community development	-	29,000	22,981	6,019
Total interest payments	<u>-</u>	<u>29,000</u>	<u>22,981</u>	<u>6,019</u>
Total debt service	<u>-</u>	<u>444,000</u>	<u>437,981</u>	<u>6,019</u>
Total expenditures by department	<u>\$ 21,212,306</u>	<u>\$ 23,865,801</u>	<u>\$ 22,850,264</u>	<u>\$ 1,015,537</u>

Oconee County, Georgia
Notes to Required Supplementary Information
June 30, 2016

Related to the Pension Data

NOTE A: VALUATION DATE

The actuarially determined contribution rates are calculated as of January 1 of each year presented. The contributions are recorded during that year by the pension plan and the County and are paid using current financial resources directly following that year.

NOTE B: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age
Asset valuation method	5-year smoothed market
Amortization method	Level percentage compensation
Future payroll growth	5.50%
Investment rate of return	7.50%

NOTE C: CHANGES IN ASSUMPTIONS

The investment return was changed from 7.75% to 7.50% in 2014. The investment return was changed from 8.0% to 7.75% in 2009. All other years assumed an 8.0% investment return. Age and service based employee termination rates were updated to more closely reflect actual experience in 2014. The mortality table was changed from the 1983 GAM, sex distinct table to the RP-2000 combined table in 2014. Retirement rates were updated in 2014. The funding method was changed from Projected Unit Credit to Entry Age Normal in 2014.

NOTE D: HISTORICAL DATA

The adoption on GASB Statement No. 68 resulted in a number of new definitions and concepts regarding measuring pension liabilities. Statement 68 introduced the concept of a total pension liability and a fiduciary net position. While the County has historical data that might be similar to these two amounts, the calculation of the amounts that the County has differ enough that presenting this information might be misleading. Accordingly, the County has not presented historical information about the changes in the total pension liability or the fiduciary net position. Statement 68 also requires the County to present historical contribution data of its pension plan if the plan has calculated an "actuarially determined contribution". The County believes that the Annual Required Contribution as calculated by the actuaries of the plan prior to the implementation of Statement 68 is an actuarially determined contribution. Therefore, the County presented the comparison of its contribution to the actariially determined contribution for the past 10 years.

Related to the Budget to Actual Comparison

NOTE E: BASIS OF PRESENTATION

The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).

Supplementary Information

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government.

Council on Aging - The Council on Aging Fund accounts for the activity relating to the County's senior center.

Law Library - The Law Library Fund accounts for the funds used for the purpose of providing a law library for use by the County courts.

Confiscated Assets - The Confiscated Assets Fund accounts for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Drug Abuse Treatment Education Fund - The D.A.T.E Fund accounts for the cash received from surcharges added to the base fine and collected by the courts. Funds are expended for drug abuse treatment and education programs or a Drug/DUI court.

Special Revenue Fund - The Special Revenue Fund accounts for the receipt of donations to the County for various uses and projects, as well as other funding paid to the County with specified purposes set forth for the funding.

Victims Services - The Victims Services and Forfeited Property Fund accounts for the receipt of the additional court costs assessed for the purpose of assisting victims and to cover the related salary costs.

Special Lighting District - The Special Lighting Districts Fund accounts for the fiscal activity relating to the providing of street lighting services within the County.

E-911 Emergency Telephone System - The E-911 Fund accounts for the fiscal activity related to the imposition, collection and uses of the E-911 emergency telephone number system fees.

Multiple Grant Fund - The Multiple Grant Fund accounts for the fiscal activity related to various small grants awarded to the County.

Hotel/Motel Tax Fund - The Hotel/Motel Tax Fund accounts for the hotel/motel taxes collected as required by general law that are legally restricted for promotion of trade and tourism in the County.

Industrial Development Authority - This fund accounts for the General Fund of the Oconee County Industrial Development Authority, which meets the criteria of a blended component unit, and is included in Oconee County's report as though it were not a separate legal entity.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

SPLOST 2004 Fund - This fund accounts for capital projects financed from SPLOST funds.

SPLOST 2009 Fund - This fund accounts for capital projects financed from SPLOST funds.

Local Resources Fund - This fund accounts for the acquisition of capital facilities.

Industrial Development Capital Projects Fund - This fund accounts for all of the funds received and expended related to the Authority's issuance of its Series 2012 and Series 2016 revenue bonds.

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,381,608	\$ 7,867,471	\$ 9,249,079
Investments, plus accrued interest	-	3,678,418	3,678,418
Accounts receivable, net	132,388	-	132,388
Taxes receivable, net	779	-	779
Internal balances	301,342	-	301,342
Due from other governments	105,712	-	105,712
Prepaid items	7,957	-	7,957
Total assets	\$ 1,929,786	\$ 11,545,889	\$ 13,475,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 149,292	\$ 2,275	\$ 151,567
Internal balances	128,683	57,610	186,293
Salaries and benefits payable	31,972	-	31,972
Total liabilities	309,947	59,885	369,832
Deferred inflows of resources:			
Unavailable property taxes	709	-	709
Total deferred inflows	709	-	709
Fund balances:			
Nonspendable	7,957	-	7,957
Restricted			
Capital projects	137,298	11,486,004	11,623,302
Judicial	172,260	-	172,260
Public safety	200,402	-	200,402
Culture and recreation	81,971	-	81,971
Housing and development	154,824	-	154,824
Assigned			
Health and welfare	168,987	-	168,987
Housing and development	701,109	-	701,109
Unassigned	(5,678)	-	(5,678)
Total fund balances	1,619,130	11,486,004	13,105,134
Total liabilities, deferred inflows and fund balances	\$ 1,929,786	\$ 11,545,889	\$ 13,475,675

Oconee County, Georgia
 Nonmajor Governmental Funds - Special Revenue Funds
 Combining Balance Sheet
 June 30, 2016

	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
ASSETS												
Cash	\$ 197,982	\$ 104,913	\$ 19,109	\$ 68,837	\$ 228,841	\$ 38,136	\$ -	\$ -	\$ 77	\$ -	\$ 723,713	\$ 1,381,608
Accounts receivable, net	20,600	-	-	-	25	-	97,043	-	-	14,720	-	132,388
Taxes receivable, net	-	-	-	-	-	-	-	-	779	-	-	779
Internal balances	-	-	-	-	12,836	-	-	-	18,986	269,520	-	301,342
Due from other governments	-	-	-	-	13,263	80,949	-	11,500	-	-	-	105,712
Prepaid items	2,276	-	-	-	-	-	5,287	-	-	394	-	7,957
Total assets	\$ 220,858	\$ 104,913	\$ 19,109	\$ 68,837	\$ 254,965	\$ 119,085	\$ 102,330	\$ 11,500	\$ 19,842	\$ 284,634	\$ 723,713	\$ 1,929,786
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 4,898	\$ -	\$ -	\$ -	\$ 9,214	\$ 71,514	\$ 21,482	\$ -	\$ 19,133	\$ 447	\$ 22,604	\$ 149,292
Internal balances	38,248	3,642	-	-	18,089	-	57,204	11,500	-	-	-	128,683
Salaries and benefits payable	6,449	-	-	-	-	-	23,644	-	-	1,879	-	31,972
Total liabilities	49,595	3,642	-	-	27,303	71,514	102,330	11,500	19,133	2,326	22,604	309,947
Deferred inflows of resources:												
Unavailable property taxes	-	-	-	-	-	-	-	-	709	-	-	709
Total deferred inflows	-	-	-	-	-	-	-	-	709	-	-	709
Fund balances:												
Nonspendable	2,276	-	-	-	-	-	5,287	-	-	394	-	7,957
Restricted												
Capital Projects	-	-	-	-	-	-	-	-	-	137,298	-	137,298
Judicial	-	101,271	-	-	23,418	47,571	-	-	-	-	-	172,260
Public safety	-	-	19,109	68,837	112,456	-	-	-	-	-	-	200,402
Culture and recreation	-	-	-	-	81,971	-	-	-	-	-	-	81,971
Housing and development	-	-	-	-	9,817	-	-	-	-	145,007	-	154,824
Assigned												
Health and welfare	168,987	-	-	-	-	-	-	-	-	-	-	168,987
Housing and development	-	-	-	-	-	-	-	-	-	-	701,109	701,109
Unassigned	-	-	-	-	-	-	(5,287)	-	-	(391)	-	(5,678)
Total fund balances	171,263	101,271	19,109	68,837	227,662	47,571	-	-	-	282,308	701,109	1,619,130
Total liabilities, deferred inflows and fund balances	\$ 220,858	\$ 104,913	\$ 19,109	\$ 68,837	\$ 254,965	\$ 119,085	\$ 102,330	\$ 11,500	\$ 19,842	\$ 284,634	\$ 723,713	\$ 1,929,786

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2016

	SPLOST 2004 Fund	SPLOST 2009 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Projects Fund	Industrial Development Authority Parkway Blvd Fund	Total Nonmajor Capital Projects Funds
ASSETS						
Cash	\$ 19,263	\$ 3,728,381	\$ -	-	4,119,827	\$ 7,867,471
Investments	3,678,418	-	-	-	-	3,678,418
Total assets	<u>\$ 3,697,681</u>	<u>\$ 3,728,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,119,827</u>	<u>\$ 11,545,889</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,275	\$ -	\$ -	\$ -	\$ -	\$ 2,275
Internal balances	-	57,610	-	-	-	57,610
Total liabilities	<u>2,275</u>	<u>57,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,885</u>
Fund balances:						
Restricted						
Capital projects	3,695,406	3,670,771	-	-	4,119,827	11,486,004
Total fund balances	<u>3,695,406</u>	<u>3,670,771</u>	<u>-</u>	<u>-</u>	<u>4,119,827</u>	<u>11,486,004</u>
Total liabilities and fund balances	<u>\$ 3,697,681</u>	<u>\$ 3,728,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,119,827</u>	<u>\$ 11,545,889</u>

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 156,147	\$ 1,645,551	\$ 1,801,698
Intergovernmental revenue	446,513	-	446,513
Charges for services	1,067,125	-	1,067,125
Fines and forfeitures	69,495	-	69,495
Investment income	1,630	14,513	16,143
Contributions and donations	163,631	-	163,631
Miscellaneous	25,411	-	25,411
Total revenues	1,929,952	1,660,064	3,590,016
EXPENDITURES			
Current:			
General government	5,453	-	5,453
Judicial	359,287	-	359,287
Public safety	1,602,031	-	1,602,031
Public works	236,532	-	236,532
Health and welfare	488,722	-	488,722
Culture and recreation	38,198	-	38,198
Housing and development	178,277	-	178,277
Debt service:			
Principal payments	3,998	160,000	163,998
Interest and fiscal charges	917	490,661	491,578
Debt issuance costs	-	85,000	85,000
Capital outlay			
General government	-	77,444	77,444
Public safety	-	83,050	83,050
Public works	-	315,806	315,806
Culture and recreation	-	47,614	47,614
Housing and development	-	80,173	80,173
Intergovernmental	-	233,834	233,834
Total expenditures	2,913,415	1,573,582	4,486,997
Deficiency of revenues under expenditures	(983,463)	86,482	(896,981)
OTHER FINANCING SOURCES AND (USES)			
Proceeds from long-term debt	44,141	4,285,000	4,329,141
Transfers in	1,365,602	316,856	1,682,458
Transfers (out)	(155,074)	(1,438,348)	(1,593,422)
Total other financing sources (uses)	1,254,669	3,163,508	4,418,177
Change in fund balances	271,206	3,249,990	3,521,196
Fund balances - beginning	1,347,924	8,236,014	9,583,938
Fund balances - ending	\$ 1,619,130	\$ 11,486,004	\$ 13,105,134

Oconee County, Georgia
 Nonmajor Governmental Funds - Special Revenue Fund:
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2016

	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,147	\$ -	\$ 156,147
Intergovernmental revenue	127,035	-	-	-	13,263	242,027	-	64,188	-	-	-	446,513
Charges for services	-	-	-	-	36,484	-	715,398	-	192,078	-	123,165	1,067,125
Fines and forfeitures	-	17,284	15,097	17,713	-	19,401	-	-	-	-	-	69,495
Investment income	46	96	6	-	233	-	-	-	-	-	1,249	1,630
Contributions and donations	-	-	-	-	163,631	-	-	-	-	-	-	163,631
Miscellaneous	25,411	-	-	-	-	-	-	-	-	-	-	25,411
Total revenues	<u>152,492</u>	<u>17,380</u>	<u>15,103</u>	<u>17,713</u>	<u>213,611</u>	<u>261,428</u>	<u>715,398</u>	<u>64,188</u>	<u>192,078</u>	<u>156,147</u>	<u>124,414</u>	<u>1,929,952</u>
EXPENDITURES												
Current:												
General government	-	-	-	-	5,453	-	-	-	-	-	-	5,453
Judicial	-	6,952	-	-	1,819	350,516	-	-	-	-	-	359,287
Public safety	-	-	8,796	-	68,491	-	1,506,556	18,188	-	-	-	1,602,031
Public works	-	-	-	-	3,051	-	-	-	233,481	-	-	236,532
Health and welfare	442,722	-	-	-	-	-	-	46,000	-	-	-	488,722
Culture and recreation	-	-	-	-	38,198	-	-	-	-	-	-	38,198
Housing and development	-	-	-	-	-	-	-	-	-	143,396	34,881	178,277
Debt service:												
Principal payments	-	-	-	-	-	-	3,998	-	-	-	-	3,998
Interest and fiscal charges	-	-	-	-	-	-	917	-	-	-	-	917
Total expenditures	<u>442,722</u>	<u>6,952</u>	<u>8,796</u>	<u>-</u>	<u>117,012</u>	<u>350,516</u>	<u>1,511,471</u>	<u>64,188</u>	<u>233,481</u>	<u>143,396</u>	<u>34,881</u>	<u>2,913,415</u>
Excess (deficiency) of revenues over (under) expenditures	(290,230)	10,428	6,307	17,713	96,599	(89,088)	(796,073)	-	(41,403)	12,751	89,533	(983,463)
OTHER FINANCING SOURCES (USES)												
Proceeds from long-term debt	361,820	-	-	59,124	5,800	135,975	44,141	-	41,403	9,548	-	44,141
Transfers in	-	-	-	(8,000)	(81,074)	-	751,932	-	-	-	-	1,365,602
Transfers (out)	-	-	-	51,124	(75,274)	135,975	(796,073)	-	(41,403)	(9,548)	(66,000)	(155,074)
Total other financing sources (uses)	<u>361,820</u>	<u>-</u>	<u>-</u>	<u>51,124</u>	<u>(75,274)</u>	<u>135,975</u>	<u>796,073</u>	<u>-</u>	<u>41,403</u>	<u>9,548</u>	<u>(66,000)</u>	<u>1,254,669</u>
Net change in fund balances	71,590	10,428	6,307	68,837	21,325	46,887	-	-	-	22,299	23,533	271,206
Fund balances - beginning	<u>99,673</u>	<u>90,843</u>	<u>12,802</u>	<u>-</u>	<u>206,337</u>	<u>684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,009</u>	<u>677,576</u>	<u>1,347,924</u>
Fund balances - ending	<u>\$ 171,263</u>	<u>\$ 101,271</u>	<u>\$ 19,109</u>	<u>\$ 68,837</u>	<u>\$ 227,662</u>	<u>\$ 47,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,308</u>	<u>\$ 701,109</u>	<u>\$ 1,619,130</u>

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

	SPLOST 2004 Fund	SPLOST 2009 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Projects Fund	Industrial Development Authority Parkway Blvd Fund	Total Nonmajor Capital Projects Funds
REVENUES						
Taxes	\$ -	\$ 1,645,551	\$ -	\$ -	\$ -	\$ 1,645,551
Investment income	10,012	4,501	-	-	-	14,513
Total revenues	<u>10,012</u>	<u>1,650,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,660,064</u>
EXPENDITURES						
Debt service:						
Principal payments	-	160,000	-	-	-	160,000
Interest and fiscal charges	-	229,730	-	260,931	-	490,661
Debt issuance costs	-	-	-	-	85,000	85,000
Capital outlay						
General government	55,894	-	21,550	-	-	77,444
Public safety	-	78,000	5,050	-	-	83,050
Public works	-	25,550	290,256	-	-	315,806
Culture and recreation	-	47,614	-	-	-	47,614
Housing and development	-	-	-	-	80,173	80,173
Intergovernmental	-	233,834	-	-	-	233,834
Total expenditures	<u>55,894</u>	<u>774,728</u>	<u>316,856</u>	<u>260,931</u>	<u>165,173</u>	<u>1,573,582</u>
Deficiency of revenues under expenditures	(45,882)	875,324	(316,856)	(260,931)	(165,173)	86,482
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	-	4,285,000	4,285,000
Transfers in	-	-	316,856	-	-	316,856
Transfers (out)	-	(1,438,348)	-	-	-	(1,438,348)
Total other financing sources (uses)	<u>-</u>	<u>(1,438,348)</u>	<u>316,856</u>	<u>-</u>	<u>4,285,000</u>	<u>3,163,508</u>
Net change in fund balances	(45,882)	(563,024)	-	(260,931)	4,119,827	3,249,990
Fund balances - beginning	3,741,288	4,233,795	-	260,931	-	8,236,014
Fund balances - ending	<u>\$ 3,695,406</u>	<u>\$ 3,670,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,119,827</u>	<u>\$ 11,486,004</u>

Nonmajor Proprietary Funds

Enterprise Funds

Solid Waste Fund - The Solid Waste Fund accounts for the operation and maintenance of the County's landfill disposal sites and recycling.

Special Facilities Fund - The Special Facilities Fund accounts for the operation, maintenance and development of the County's Civic Center, William Daniell House and the Eagle Tavern Museum, as well as economic development and tourism.

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Net Position
June 30, 2016

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash	\$ 538	\$ -	\$ 538
Accounts receivable, net	1,787	3,028	4,815
Internal balances	148,887	515,887	664,774
Prepaid items	1,352	2,123	3,475
Total current assets	152,564	521,038	673,602
Noncurrent assets:			
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	45,296	1,543,220	1,588,516
Total capital assets	170,296	1,568,220	1,738,516
Total assets	322,860	2,089,258	2,412,118
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	5,167	26,435	31,602
Total assets and deferred outflows	328,027	2,115,693	2,443,720
LIABILITIES			
Current liabilities:			
Accounts payable	37,869	9,488	47,357
Internal balances	-	-	-
Salaries and benefits payable	4,884	9,585	14,469
Total current liabilities	42,753	19,073	61,826
Noncurrent liabilities:			
Compensated absences	7,732	16,597	24,329
Net pension liability	83,400	253,946	337,346
Total noncurrent liabilities	91,132	270,543	361,675
Total liabilities	133,885	289,616	423,501
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	243	1,198	1,441
Total liabilities and deferred inflows	134,128	290,814	424,942
NET POSITION			
Net investment in capital assets	170,296	1,568,220	1,738,516
Unrestricted	23,603	256,659	280,262
Total net position	\$ 193,899	\$ 1,824,879	\$ 2,018,778

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 172,018	\$ 64,571	\$ 236,589
Licenses and permits	7,500	-	7,500
Rents and royalties	-	100,069	100,069
Miscellaneous	277	200	477
Total operating revenues	179,795	164,840	344,635
OPERATING EXPENSES			
Salaries and benefits	168,237	265,379	433,616
Other contracted services	229,700	4,097	233,797
Supplies and materials	10,046	27,276	37,322
Repairs and maintenance	4,415	22,256	26,671
Utilities	9,782	51,745	61,527
Insurance	6,162	3,349	9,511
Depreciation and amortization	5,210	69,126	74,336
Other charges	9,875	17,144	27,019
Total operating expenses	443,427	460,372	903,799
Operating loss	(263,632)	(295,532)	(559,164)
Loss before contributions and transfers	(263,632)	(295,532)	(559,164)
Transfers in	263,729	296,012	559,741
Change in net position	97	480	577
Total net assets - beginning	193,802	1,824,399	2,018,201
Total net position - ending	\$ 193,899	\$ 1,824,879	\$ 2,018,778

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 179,169	\$ 168,954	\$ 348,123
Payments to suppliers	(305,754)	(124,690)	(430,444)
Payments to employees	(165,434)	(270,374)	(435,808)
Net cash (used) by operating activities	<u>(292,019)</u>	<u>(226,110)</u>	<u>(518,129)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	292,448	214,480	506,928
Net cash provided by noncapital financing activities	<u>292,448</u>	<u>214,480</u>	<u>506,928</u>
Net change in cash and cash equivalents	429	(11,630)	(11,201)
Cash - beginning of the year	109	11,630	11,739
Cash - end of the year	<u>\$ 538</u>	<u>\$ -</u>	<u>\$ 538</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (263,632)	\$ (295,532)	\$ (559,164)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	5,210	69,126	74,336
Change in assets and liabilities:			
Receivables, net	(626)	4,115	3,489
Prepaid items	141	1,360	1,501
Due from other governments	-	-	-
Accounts payable	(35,915)	(183)	(36,098)
Accrued expenses	1,002	(549)	453
Compensated absences	1,898	(3,966)	(2,068)
Net change in pension deferrals	(4,546)	(22,429)	(26,975)
Net pension liability	4,449	21,948	26,397
Net cash (used) by operating activities	<u>\$ (292,019)</u>	<u>\$ (226,110)</u>	<u>\$ (518,129)</u>

Fiduciary Funds

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
June 30, 2016

	<u>Tax Commissioner</u>	<u>Sheriff</u>	<u>Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Juvenile Court</u>	<u>Total Fiduciary Funds</u>
ASSETS							
Cash	\$ 33,945	\$ 15,909	\$ 344,585	\$ 72,143	\$ 79,922	\$ 408	\$ 546,912
Total Assets	<u>\$ 33,945</u>	<u>\$ 15,909</u>	<u>\$ 344,585</u>	<u>\$ 72,143</u>	<u>\$ 79,922</u>	<u>\$ 408</u>	<u>\$ 546,912</u>
LIABILITIES							
Due to others	\$ 33,945	\$ 15,909	\$ 344,585	\$ 72,143	\$ 79,922	\$ 408	\$ 546,912
Total Liabilities	<u>\$ 33,945</u>	<u>\$ 15,909</u>	<u>\$ 344,585</u>	<u>\$ 72,143</u>	<u>\$ 79,922</u>	<u>\$ 408</u>	<u>\$ 546,912</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>6/30/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2016</u>
TAX COMMISSIONER				
Assets				
Cash	\$ -	\$ 47,196,945	\$ 47,163,000	\$ 33,945
	<u>-</u>	<u>47,196,945</u>	<u>47,163,000</u>	<u>33,945</u>
Liabilities				
Due to others	-	47,196,945	47,163,000	33,945
	<u>-</u>	<u>47,196,945</u>	<u>47,163,000</u>	<u>33,945</u>
SHERIFF				
Assets				
Cash	3,301	56,982	44,374	15,909
	<u>3,301</u>	<u>56,982</u>	<u>44,374</u>	<u>15,909</u>
Liabilities				
Due to others	3,301	56,982	44,374	15,909
	<u>3,301</u>	<u>56,982</u>	<u>44,374</u>	<u>15,909</u>
SUPERIOR COURT				
Assets				
Cash	303,807	1,918,161	1,877,383	344,585
	<u>303,807</u>	<u>1,918,161</u>	<u>1,877,383</u>	<u>344,585</u>
Liabilities				
Due to others	303,807	1,918,161	1,877,383	344,585
	<u>\$ 303,807</u>	<u>\$ 1,918,161</u>	<u>\$ 1,877,383</u>	<u>\$ 344,585</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>6/30/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2016</u>
PROBATE COURT				
Assets				
Cash	\$ 51,132	\$ 544,906	\$ 523,895	\$ 72,143
	<u>51,132</u>	<u>544,906</u>	<u>523,895</u>	<u>72,143</u>
Liabilities				
Due to others	51,132	544,906	523,895	72,143
	<u>51,132</u>	<u>544,906</u>	<u>523,895</u>	<u>72,143</u>
MAGISTRATE COURT				
Assets				
Cash	64,282	200,169	184,529	79,922
	<u>64,282</u>	<u>200,169</u>	<u>184,529</u>	<u>79,922</u>
Liabilities				
Due to others	64,282	200,169	184,529	79,922
	<u>64,282</u>	<u>200,169</u>	<u>184,529</u>	<u>79,922</u>
JUVENILE COURT				
Assets				
Cash	304	5,609	5,505	408
	<u>304</u>	<u>5,609</u>	<u>5,505</u>	<u>408</u>
Liabilities				
Due to others	304	5,609	5,505	408
	<u>304</u>	<u>5,609</u>	<u>5,505</u>	<u>408</u>
TOTALS				
Assets				
Cash	422,826	49,922,772	49,798,686	546,912
	<u>422,826</u>	<u>49,922,772</u>	<u>49,798,686</u>	<u>546,912</u>
Liabilities				
Due to others	422,826	49,922,772	49,798,686	546,912
	<u>\$ 422,826</u>	<u>\$ 49,922,772</u>	<u>\$ 49,798,686</u>	<u>\$ 546,912</u>

Compliance

Treadwell, Tamplin & Co.

Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

Ph: 706-342-1040
Fax: 706-342-1041

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 Honorable Commissioners of
Oconee County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Oconee County, Georgia's basic financial statements and have issued our report thereon dated January 31, 2017. Our report includes a reference to other auditors who audited the financial statements of the Oconee County Health Department, as described in our report on Oconee County, Georgia'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.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

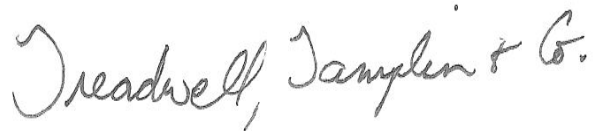
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oconee County, Georgia'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Oconee County, Georgia in a separate letter dated January 31, 2017.

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 cursive script that reads "Treadwell, Jamplin & Co." The signature is written in dark ink and is positioned in the center of the page.

Madison, Georgia
January 31, 2017

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2016

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
2004 Referendum***						
Water & Sewer improvements	\$ 6,000,000	\$ 6,970,000	\$ 6,970,000	\$ -	\$ 6,970,000	100.00%
Recreation & cultural facilities	5,000,000	5,031,350	5,031,350	-	5,031,350	100.00%
Roads	6,000,000	6,276,264	6,276,264	-	6,276,264	100.00%
Jail expansion	1,300,000	1,319,670	1,319,670	-	1,319,670	100.00%
Emergency operations center	600,000	681,721	681,721	-	681,721	100.00%
Fire station project	1,500,000	1,500,000	1,500,000	-	1,500,000	100.00%
County facilities expansion and renovation	4,600,000	4,600,000	1,010,854	55,894	1,066,748	23.19%
Totals	\$ 25,000,000	\$ 26,379,005	\$ 22,789,859	\$ 55,894	\$ 22,845,753	
2009 Referendum***						
Recreation facilities	\$ 4,847,985	\$ 4,053,402	\$ 3,663,672	\$ 389,730	\$ 4,053,402	100.00%
County Jail and Emergency Operation Center-911 Building	6,059,981	5,857,522	5,857,522	-	5,857,522	100.00%
Water & Sewer facilities	6,884,176	4,212,355	1,052,125	1,438,348	2,490,473	59.12%
Roads, Streets & Bridges	8,080,020	6,755,704	6,755,704	-	6,755,704	100.00%
Recreational, Historic and Scenic Facilities	1,110,999	928,906	474,761	73,164	547,925	58.99%
Fire Station Facilities and Equipment	3,939,014	3,293,400	1,912,483	78,000	1,990,483	60.44%
Communication Facilities	3,232,001	3,454,937	3,454,937	-	3,454,937	100.00%
Farmland Protection	504,984	422,216	198,500	-	198,500	47.01%
Payment to Cities						
City of Watkinsville	3,227,960	2,698,890	2,567,411	131,480	2,698,891	100.00%
Town of Bogart	1,616,000	1,351,134	1,285,312	65,822	1,351,134	100.00%
Town of North High Shoals	674,680	564,098	536,618	27,481	564,099	100.00%
Town of Bishop	222,200	185,781	176,730	9,051	185,781	100.00%
Totals	\$ 40,400,000	\$ 33,778,345	\$ 27,935,775	\$ 2,213,076	\$ 30,148,851	

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2016

2015 Referendum***

Recreation facilities	\$ 5,592,000	\$ 5,592,000	\$ -	380,470	\$ 380,470	6.80%
Water & Sewer facilities	12,100,000	12,100,000	-	-	-	0.00%
Roads, Streets & Bridges	12,000,000	12,000,000	-	454,204	454,204	3.79%
Farmland Protection	500,000	500,000	-	-	-	0.00%
Fire Station and Rescue Facilities and equipment	3,019,500	3,019,500	-	-	-	0.00%
Civic Center Facilities	1,500,000	1,500,000	-	-	-	0.00%
Historic and Scenic Facilities	250,000	250,000	-	-	-	0.00%
Library Facilities	2,000,000	2,000,000	-	-	-	0.00%
General County Facilities	2,000,000	2,000,000	-	51,947	51,947	2.60%
Animal Control Facilities	750,000	750,000	-	-	-	0.00%
Economic Development Facilities	850,000	850,000	-	-	-	0.00%
Recreational and Park Facilities	3,158,000	3,158,000	-	48,118	48,118	1.52%
Law Enforcement Facilities and equipment	3,100,000	3,100,000	-	983,637	983,637	31.73%
Technology Facilities	475,000	475,000	-	-	-	0.00%
Payment to Cities						
City of Watkinsville	4,746,500	4,746,500	-	441,067	441,067	9.29%
Town of Bogart	1,496,000	1,496,000	-	139,015	139,015	9.29%
Town of North High Shoals	1,089,000	1,089,000	-	101,195	101,195	9.29%
Town of Bishop	374,000	374,000	-	34,754	34,754	9.29%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Totals	<u><u>\$ 55,000,000</u></u>	<u><u>\$ 55,000,000</u></u>	<u><u>\$ -</u></u>	2,634,407	<u><u>\$ 2,634,407</u></u>	
Principal payment on law enforcement equipment purchased using capital lease				<u>223,518</u>		
Total expenditures and transfers reported in the SPLOST 2015 fund				<u><u>\$ 2,857,925</u></u>		

***The Original Estimated Cost of each project may change as actual costs are incurred.

Oconee County, Georgia
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2016

<u>State Program Name</u>	<u>Contract Number</u>	<u>Actual Revenue Received</u>	<u>Current Expenditures</u>	<u>Amount Due To/From State</u>
Family Connection	93-161600096	\$ 33,750	\$ 45,000	\$ 11,250

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures
 For the Year Ended June 30, 2016

Line No.	O.C.G.A. Reference:	
1		Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund
2	46-5-134(e)	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)
		UMB Wholesale Bank (Sprint/Nextel) \$ 1,824.60
		AT&T Mobility \$ 49,342.80
		<hr style="border-top: 1px solid black;"/>
3		Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:
3a	46-5-134(f)(1)(A)	Lease costs \$ _____
3b	46-5-134(f)(1)(A)	Purchase costs \$ _____
3c	46-5-134(f)(1)(A)	Maintenance costs \$ _____
4	46-5-134(f)(1)(B)	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges \$ 188,173.68
5		Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2
5a	46-5-134(f)(1)(C)	Salaries and wages \$ 586,942.94
5b	46-5-134(f)(1)(C)	Employee benefits \$ 254,814.72
6	46-5-134(f)(1)(D)	Cost of training of employees who work as dispatchers or directors \$ 6,123.60
7	46-5-134(f)(1)(E)	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services \$ 3,646.12
8		Building used as a public safety answering point:
8a	46-5-134(f)(1)(F)	Lease costs \$ _____
8b	46-5-134(f)(1)(F)	Purchase costs \$ _____
9		Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:
9a	46-5-134(f)(1)(G)	Lease costs \$ _____
9b	46-5-134(f)(1)(G)	Purchase costs \$ _____
9c	46-5-134(f)(1)(G)	Maintenance costs \$ _____
10	46-5-134(f)(1)(H)	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials \$ _____
11		Logging recorders used at a public safety answering point to record telephone and radio traffic:
11a	46-5-134(f)(1)(I)	Lease costs \$ _____
11b	46-5-134(f)(1)(I)	Purchase costs \$ _____
11c	46-5-134(f)(1)(I)	Maintenance costs \$ _____

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures
 For the Year Ended June 30, 2016

Line No.		O.C.G.A. Reference:	\$
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ 99,911.09
15	Mobile public safety voice and data equipment, geo-targeted text messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ 7,434.54
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ 44,140.93
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ 269,115.95
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		\$ <u>1,511,470.97</u>

Oconee County Board of Commissioners
Certification of 9-1-1 Expenditures
For the Year Ended June 30, 2016

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official  Date 12/22/16

Print Name of Chief Elected Official Melvin Davis

Title of Chief Elected Official Chairman, Oconee County Board of Commissioners

Signature of Chief Financial Officer  Date 12-22-16

Print Name of Chief Financial Officer Wesley L. Geddings