

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended**  
**June 30, 2017**

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**  
**TABLE OF CONTENTS**

	<b>Exhibit</b>	<b>Page</b>
<b>Financial Section:</b>		
Independent Auditor's Report		
Management's Discussion and Analysis		I-X
<b>Basic Financial Statements:</b>		
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		12-42
	<b>Schedule</b>	<b>Page</b>
<b>Required Supplementary Information:</b>		
Retirement Plan - Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions	1	43
Other Postemployment Benefits - Schedule of Funding Progress	2	44
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (by Department) and Actual - General Fund	3	45
Reconciliation of Budget Expenditures by Department to GAAP Basis Budget - General Fund	3.1	46
Notes to Required Supplementary Information		47

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**  
**TABLE OF CONTENTS**

	<b>Schedule</b>	<b>Page</b>
<b>Supplementary Information:</b>		
<b>Governmental Funds:</b>		
Nonmajor Governmental Funds:		
All Nonmajor Governmental Funds - Combining Balance Sheet	4	48
Nonmajor Governmental Funds - Special Revenue Funds - Combining Balance Sheet	5	49
Nonmajor Governmental Funds - Capital Projects Funds Combining Balance Sheet	6	50
All Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	7	51
Nonmajor Governmental Funds - Special Revenue Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	8	52
Nonmajor Governmental Funds - Capital Projects Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	9	53
<b>Nonmajor Proprietary Funds:</b>		
Nonmajor Proprietary Funds - Combining Schedule of Net Position	10	54
Nonmajor Proprietary Funds - Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	11	55
Nonmajor Proprietary Funds - Combining Schedule of Cash Flows	12	56
<b>Fiduciary Funds:</b>		
Combining Schedule of Fiduciary Assets and Liabilities	13	57
Combining Schedule of Changes in Fiduciary Net Position	14	58-59
<b>Compliance Section:</b>		
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>		60-61
Schedule of Special Purpose Local Option Sales Tax	15	62-63
Schedule of State Contractual Assistance	16	64
Certification of 9-1-1 Expenditures		65-67

# 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

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, 2017, and the related notes to the financial statements, which collectively comprise Oconee County, Georgia'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 from 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance 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 X, and pages 43-47 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 basic financial statements. The combining and individual nonmajor fund financial 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 a required part of the basic financial statements.

The combining and individual nonmajor fund financial 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial schedules are 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 December 29, 2017 on our consideration of Oconee County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

*Treadwell Tamplin + Co.*

*Madison, Georgia*  
December 29, 2017

**MANAGEMENT DISCUSSION AND ANALYSIS**

**OCONEE COUNTY, GEORGIA  
YEAR ENDED JUNE 30, 2017**

**OCONEE COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2017**

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.

Oconee County's government-wide financial statements, as described below, show an increasing net position indicating long-term stability. Oconee County's short-term financial liquidity is indicated in the fund financial statements with the increase in fund balances. In summary, the County's financial position has continued to improve.

**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 long-term broad overview of the economic 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, 2017. 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 public safety, public works, general government, culture and recreation, judicial, housing and development, and health and welfare. Business-type activities financed by user charges include water and sewer, sanitation collection sites, and special facilities.

### **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 3-7)

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 \$2,331,602. (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 \$4,356,972 (Exb 2) as a result of operating revenues, the addition of capital assets net of depreciation, and developer contributions represented at an estimate of fair market value.

### **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, 2017, Oconee County governmental funds reported combined fund balances of \$24,639,041, down from \$26,865,120 in the prior year, a decrease of \$2,226,079. (Exb 4) The

decrease is related to the Industrial Development Authority's capital project fund for Parkway Boulevard. Funding from the \$4,285,000 Series 2016 Revenue Bond was spent down to a reserved capital project fund balance of \$507,640 by year-end.

General Fund is the chief operating fund of the county. At June 30, 2017, total fund balance in the general fund was \$11,061,520, an increase of \$240,000 from the prior year's fund balance of \$10,821,520. (Exb 4) The Board of Commissioners continues to take measures to maintain conservative expenditures by working closely with Elected Officials and Department Directors.

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.

The County continues to utilize SPLOST funds to retire Series 2011 GO Bond debt for Parks & Recreation, and for the development of infrastructure such as roads, water and sewer improvements.

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

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 to improve certain other 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 FY17, the Industrial Development Authority expended \$3,612,187 of the Series 2016 Bond proceeds from the capital projects fund for the Parkway Boulevard Project. (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, 2017 totaled \$163,081. (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, 2017, total net position amounted to \$82,967,972. (Exb 6) This includes a change in net position of \$4,356,972. (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.

The County is a member of the Upper Oconee Basin Water Authority (UOBWA). As part of the Intergovernmental Agreement between the County and UOBWA, reconciliation is performed at the Authority's year-end (December 31) to determine the actual cost sharing by each member county. (Note 7)

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 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. 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. (Note 7)

Phase I of the intergovernmental project with the Walton County Water & Sewerage Authority, also referred to as the Hard Labor Creek Reservoir project, was completed in 2017. The Hard Labor Creek Reservoir project consists of a dam, reservoir, raw water pumping station, pipeline and water treatment plant. It is anticipated that the Hard Labor Creek Reservoir Project will be complete by January 2020.

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 \$7,357,887 of which the County is responsible for \$2,119,072. (Note 7)

In October of 2017, Series 2017A Revenue Bonds were issued for the purpose of financing the renovation and improvement of the Calls Creek Wastewater Reclamation Facility and the

acquisition, construction and installation of additional water and sewer facilities and equipment. Series 2017B Refunding Bonds were issued to refund Series 2009 Revenue Bonds. The bond issues were for \$10,915,000 and \$1,765,000 respectively.

### **Program Revenue, General Revenue and Total Revenue**

Total program revenues for primary government consist of charges for services, operating grants and contributions, and capital grants and contributions. Program revenues increased from the previous fiscal year. The county received operating and capital grants which were a driving force in the increase. General revenues for the primary government consist mainly of sales taxes and property taxes. Other general revenues are business taxes and intangible taxes. General revenues also increased from the previous fiscal year.

### **Financial Highlights**

Oconee County’s main revenue sources are sales taxes and property taxes. Sales tax revenues remained flat in fiscal year 2017. 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. There was an increase in the property tax digest due to an increasing population and new homes. While the millage rate was maintained, the property tax digest increase caused property tax revenues to increase 2017.

Oconee County’s total assets exceeded total liabilities at June 30, 2017, by \$169,164,022. (Exb 1) Of this amount, \$9,349,592 (Exb 1) may be used to meet the County’s ongoing obligations to provide services to citizens and repayment of debt to creditors.

As a whole, the financial position of the Oconee County government improved when compared to recent years. At June 30, 2017, Oconee County’s Governmental Fund Statement Report combined ending fund balances were \$24,639,041 (Exb 4) a decrease of \$2,226,079. The General Fund reported an unassigned fund balance of \$8,668,829. (Exb 3) Governmental funds report a \$12,287,837 restricted fund balance for capital projects which commit the following funds: (Exb 3)

<b>Fund:</b>	<b>Balance:</b>	<b>Reference:</b>
<b>SPLOST 2004</b>	3,401,356	Sch 6
<b>SPLOST 2009</b>	3,126,864	Sch 6
<b>SPLOST 2015</b>	4,518,754	Exb 3
<b>Hotel Sales Tax</b>	164,484	Sch 5
<b>Industrial Development Authority Projects</b>	507,640	Sch 6
<b>General Fund</b>	568,739	Exb 3
<b>Total</b>	<b>\$12,287,837</b>	

In addition, the General Fund has committed \$1,592,447 (Exb 3) to advance fund GDOT project SR53/Mars Hill Road and for signalization at the Mars Hill/Rocky Branch/Virgil Langford intersection. Phase I of the Mars Hill Road project included reimbursements from the State of Georgia totaling \$5,337,170.25. The County began Phase II of the project in 2016 with reimbursements totaling \$2,198,982.78 as of June 30, 2017. The final reimbursement for Phase II was received in July 2017 for \$893,531.22.

In 2017, the County implemented GASB 77, tax abatement disclosures. This disclosure requires state and local governments to disclose key information about any tax abatement agreements. A tax abatement is a reduction in taxes that would have otherwise been owed by a person or company. The company or person, in return, contributes to economic development or other benefit to the government and its citizens. This information has not previously been reported in financial statements. Refer to Note 6 for the disclosure and additional information. The County is also preparing to implement GASB 75, accounting and financial reporting for postemployment benefits other than pensions, for upcoming fiscal years. In FY15, the County implemented GASB 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB 27. In 2013, the County implemented GASB 61. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. 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.

### **Government – Wide Financial Analysis**

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2016 and the fiscal year ended June 30, 2017. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ending 2017 shows an increase in the change in net position of \$6.69 million (Table 2) over the previous fiscal year.

### **Budget Variations**

The original General Fund budget for the fiscal year end June 30, 2017, reflected anticipated revenues of \$24,390,216 and expenditures of \$23,041,411. The final budget for the fiscal year showed revenues of \$28,945,590 and expenditures of \$27,832,226, while the actual results for fiscal year ending June 30, 2017 indicated revenues of \$28,875,658 and expenditures of \$26,578,675. (Sch. 3) The overall variance to final budget was \$1,183,619 in excess of revenues over expenditures.

<b>General Fund Budget vs. Actual:</b>	<b>Revenues:</b>	<b>Expenditures:</b>	<b>Excess Revenues:</b>
<b>Original Budget</b>	24,390,216	23,041,411	1,348,805
<b>Final Budget</b>	28,945,590	27,832,226	1,113,364
<b>Actual Results</b>	28,875,658	26,578,675	2,296,983

The local economy improved in Oconee County. Primary factors were low unemployment, new revenue sources through small business activity and increased commercial site construction. 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  
1060 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, 2017**

**Table 1**  
**Net Position**  
**(in Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
<b>Assets</b>						
Current & Other Assets	28.18	26.60	27.53	26.90	55.71	53.50
Capital Assets, Net	87.92	91.75	93.88	96.38	181.80	188.13
<b>Total Assets</b>	<b>116.10</b>	<b>118.35</b>	<b>121.41</b>	<b>123.28</b>	<b>237.51</b>	<b>241.63</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Debt Refunding	0.66	0.62	1.91	2.30	2.57	2.92
Deferred Outflow Related to Pensions	1.53	1.88	0.18	0.23	1.71	2.11
<b>Total Assets and Deferred Outflows</b>	<b>118.29</b>	<b>120.85</b>	<b>123.50</b>	<b>125.81</b>	<b>241.79</b>	<b>246.66</b>
<b>Liabilities</b>						
Current & Other Liabilities	1.43	2.13	1.99	1.81	3.42	3.94
Long-Term Liabilities						
Due Within One Year	1.09	1.54	2.06	2.07	3.15	3.61
Due in More Than One Year	31.84	30.46	40.83	38.90	72.67	69.36
<b>Total Liabilities</b>	<b>34.36</b>	<b>34.13</b>	<b>44.88</b>	<b>42.78</b>	<b>79.24</b>	<b>76.91</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflow Related to Pensions	0.07	0.53	0.01	0.06	0.08	0.59
<b>Total Liabilities and Deferred Inflows</b>	<b>34.43</b>	<b>34.66</b>	<b>44.89</b>	<b>42.84</b>	<b>79.32</b>	<b>77.50</b>
<b>Net Position</b>						
Net Investment in Capital Assets	78.24	79.14	60.35	65.95	138.59	145.09
Restricted						
Capital Projects	14.99	12.28	0.00	0.00	14.99	12.28
Judicial	0.17	0.29	0.00	0.00	0.17	0.29
Public Safety	0.20	0.23	0.00	0.00	0.20	0.23
Debt Service	0.00	0.00	3.04	1.72	3.04	1.72
Other Purposes	0.24	0.20	0.00	0.00	0.24	0.20
Unrestricted	(9.98)	(5.95)	15.22	15.30	5.24	9.35
<b>Total Net Position</b>	<b>83.86</b>	<b>86.19</b>	<b>78.61</b>	<b>82.97</b>	<b>162.47</b>	<b>169.16</b>



**Oconee County, Georgia**  
**For the Year Ended June 30, 2017**

**Table 2**  
**Changes in Net Position**  
**(in Millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2016	2017	2016	2017	2016	2017
<b>Revenue</b>						
<b>Program Revenues:</b>						
Charges for Services	4.65	4.92	11.32	11.76	15.97	16.68
Operating Grants & Contributions	0.71	1.00	0.00	0.01	0.71	1.01
Capital Grants & Contributions	1.53	3.36	1.96	1.23	3.49	4.59
<b>General Revenues:</b>						
Property Taxes	12.17	12.84			12.17	12.84
Sales Taxes	13.24	13.25			13.24	13.25
Intangible Taxes	0.57	0.66			0.57	0.66
Business Taxes	1.59	1.67			1.59	1.67
Franchise Fees	0.33	0.32			0.33	0.32
Other Taxes	0.19	0.20			0.19	0.20
Investment Earnings	0.03	0.03	0.03	0.07	0.06	0.10
Gain on Disposal of Capital Asset	0.00	0.04	0.00	0.01	0.00	0.05
<b>Total Revenues</b>	<b>35.01</b>	<b>38.29</b>	<b>13.31</b>	<b>13.08</b>	<b>48.31</b>	<b>51.37</b>
<b>Program Expenses</b>						
General Government	6.59	7.01			6.59	7.01
Judicial	2.08	2.35			2.08	2.35
Public Safety	9.89	10.56			9.89	10.56
Public Works	6.48	8.23			6.48	8.23
Health & Welfare	0.73	0.83			0.73	0.83
Culture & Recreation	3.80	3.97			3.80	3.97
Housing & Development	1.67	1.40			1.67	1.40
Interest & Fiscal Charges	0.68	0.76			0.68	0.76
Water & Sewer			6.85	8.59	6.85	8.59
Solid Waste			0.44	0.49	0.44	0.49
Special Facilities			0.46	0.49	0.46	0.49
<b>Total Expenses</b>	<b>31.92</b>	<b>35.11</b>	<b>7.75</b>	<b>9.57</b>	<b>39.67</b>	<b>44.68</b>
<b>Excess (Deficiency) Before Transfers &amp; Contributions</b>	<b>3.09</b>	<b>3.18</b>	<b>5.56</b>	<b>3.51</b>	<b>8.64</b>	<b>6.69</b>
<b>Total Transfers</b>	<b>(2.00)</b>	<b>(0.85)</b>	<b>2.00</b>	<b>0.85</b>	<b>0.00</b>	<b>0.00</b>
<b>Changes in Net Position</b>	<b>1.09</b>	<b>2.33</b>	<b>7.56</b>	<b>4.36</b>	<b>8.64</b>	<b>6.69</b>
<b>Net Position, Beginning</b>	<b>82.77</b>	<b>83.86</b>	<b>71.05</b>	<b>78.61</b>	<b>153.82</b>	<b>162.47</b>
<b>Net Position, Ending</b>	<b>83.86</b>	<b>86.19</b>	<b>78.61</b>	<b>82.97</b>	<b>162.47</b>	<b>169.16</b>

# **Basic Financial Statements**

**Oconee County, Georgia**  
**Statement of Net Position**  
**June 30, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Health Department</b>
<b>ASSETS</b>				
Cash (Note 2)	\$ 12,032,589	\$ 7,126,127	\$ 19,158,716	\$ 539,507
Investments, plus accrued interest (Note 2)	11,593,034	4,146,603	15,739,637	-
Accounts receivable, net	575,241	737,194	1,312,435	65,749
Taxes receivable, net	125,483	-	125,483	-
Internal balances (Note 4)	(447,108)	447,108	-	-
Due from other governments	2,299,459	301,030	2,600,489	-
Prepaid expenses	415,627	14,098	429,725	-
Restricted cash (Note 2)	12,235	4,550,779	4,563,014	-
Restricted investments (Note 2)	-	152,851	152,851	-
Investment - UOBWA, net (Note 5)	-	9,420,756	9,420,756	-
Capital assets (Note 3)				
Capital assets not being depreciated	29,867,585	18,150,577	48,018,162	-
Capital assets, net of accumulated depreciation	61,880,426	78,232,049	140,112,475	44,227
<b>Total assets</b>	<b>118,354,571</b>	<b>123,279,172</b>	<b>241,633,743</b>	<b>649,483</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on debt refunding	622,088	2,301,722	2,923,810	-
Deferred outflow related to pensions (Note 9)	1,877,949	225,522	2,103,471	224,933
<b>Total assets and deferred outflows</b>	<b>120,854,608</b>	<b>125,806,416</b>	<b>246,661,024</b>	<b>874,416</b>
<b>LIABILITIES</b>				
Accounts payable	1,100,436	357,286	1,457,722	43,395
Accounts payable from restricted assets	12,235	29,504	41,739	-
Retainage payable	337,436	73,181	410,617	-
Salaries and benefits payable	398,064	57,867	455,931	-
Accrued interest	280,600	440,103	720,703	-
Customer deposits	-	853,112	853,112	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	1,521,582	2,071,098	3,592,680	-
Compensated absences	25,087	-	25,087	-
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	21,401,053	37,786,286	59,187,339	-
Net pension liability (Note 9)	8,146,578	1,000,453	9,147,031	660,272
OPEB obligation (Note 10)	220,816	-	220,816	-
Compensated absences	688,551	106,332	794,883	56,195
<b>Total liabilities</b>	<b>34,132,438</b>	<b>42,775,222</b>	<b>76,907,660</b>	<b>759,862</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pensions	526,120	63,222	589,342	2,682
<b>Total liabilities and deferred inflows</b>	<b>34,658,558</b>	<b>42,838,444</b>	<b>77,497,002</b>	<b>762,544</b>
<b>NET POSITION</b>				
Net investment in capital assets	79,141,248	65,949,725	145,090,973	44,227
Restricted for:				
Capital projects	12,287,837	-	12,287,837	-
Judicial	292,974	-	292,974	-
Public safety	225,159	-	225,159	-
Debt service	-	1,722,383	1,722,383	-
Other purposes	195,104	-	195,104	-
Unrestricted	(5,946,272)	15,295,864	9,349,592	67,645
<b>Total net position</b>	<b>\$ 86,196,050</b>	<b>\$ 82,967,972</b>	<b>\$ 169,164,022</b>	<b>\$ 111,872</b>

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

Oconee County, Georgia  
 Statement of Activities  
 For the Fiscal Year Ended June 30, 2017

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	
<b>Governmental:</b>							
General government	\$ 7,010,547	\$ 1,012,013	\$ 35,827	\$ -	\$ (5,962,707)	\$ (5,962,707)	\$ (5,962,707)
Judicial	2,345,036	847,616	406,808	-	(1,090,612)	(1,090,612)	(1,090,612)
Public safety	10,557,524	982,395	94,848	6,000	(9,474,281)	(9,474,281)	(9,474,281)
Public works	8,232,217	12,364	-	3,351,355	(4,868,498)	(4,868,498)	(4,868,498)
Health and welfare	832,055	-	183,139	-	(648,916)	(648,916)	(648,916)
Culture and recreation	3,967,429	1,181,088	55,425	-	(2,730,916)	(2,730,916)	(2,730,916)
Housing and development	1,400,591	883,915	221,581	-	(295,095)	(295,095)	(295,095)
Interest and fiscal charges	764,957	-	-	-	(764,957)	(764,957)	(764,957)
<b>Total governmental activities</b>	<b>35,110,356</b>	<b>4,919,391</b>	<b>997,628</b>	<b>3,357,355</b>	<b>(25,835,982)</b>	<b>(25,835,982)</b>	<b>(25,835,982)</b>
<b>Business-type:</b>							
Water and sewer	8,593,925	11,362,704	-	1,226,380	\$ 3,995,159	3,995,159	3,995,159
Solid waste	486,353	198,053	7,587	-	(280,713)	(280,713)	(280,713)
Special facilities	487,056	200,727	-	-	(286,329)	(286,329)	(286,329)
<b>Total business-type activities</b>	<b>9,567,334</b>	<b>11,761,484</b>	<b>7,587</b>	<b>1,226,380</b>	<b>3,428,117</b>	<b>3,428,117</b>	<b>3,428,117</b>
<b>Component units:</b>							
Oconee County Health Department	891,884	513,117	385,210	-			\$ 6,443
<b>Total Oconee County</b>	<b>\$ 45,569,574</b>	<b>\$ 17,193,992</b>	<b>\$ 1,390,425</b>	<b>\$ 4,583,735</b>	<b>(25,835,982)</b>	<b>(22,407,865)</b>	<b>\$ 6,443</b>
General revenues:							
Taxes							
Property taxes, levied for general purposes					12,839,401	-	12,839,401
Sales tax					13,245,059	-	13,245,059
Intangible tax					662,811	-	662,811
Business taxes					1,667,760	-	1,667,760
Franchise taxes					319,254	-	319,254
Other taxes					201,102	-	201,102
Investment earnings					35,794	71,647	107,441
Gain on disposal of capital assets					46,835	6,776	53,611
Transfers					(850,432)	850,432	-
Total general revenues and transfers					28,167,584	928,855	29,096,439
<b>Change in net position</b>					2,331,602	4,356,972	6,688,574
<b>Net position - beginning</b>					83,864,448	78,611,000	162,475,448
<b>Net position - ending</b>					\$ 86,196,050	\$ 82,967,972	\$ 169,164,022

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

**Oconee County, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash (Note 2)	\$ 3,117,275	\$ 4,145,784	\$ 4,769,530	\$ 12,032,589
Investments (Note 2)	7,712,359	-	3,880,675	11,593,034
Accounts receivable, net	134,887	-	440,354	575,241
Taxes receivable, net	124,776	-	707	125,483
Internal balances (Note 4)	400,717	-	333,796	734,513
Due from other governments	1,558,020	570,239	171,200	2,299,459
Prepaid items	231,505	175,618	8,504	415,627
Restricted cash (Note 2)	12,235	-	-	12,235
<b>Total assets</b>	<u>\$ 13,291,774</u>	<u>\$ 4,891,641</u>	<u>\$ 9,604,766</u>	<u>\$ 27,788,181</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 690,537	\$ 188,309	\$ 221,586	\$ 1,100,432
Retainage payable	-	-	337,436	337,436
Internal balances (Note 4)	1,049,374	8,960	123,287	1,181,621
Salaries and benefits payable	359,456	-	38,608	398,064
Bonds and deposits payable from restricted cash	12,235	-	-	12,235
<b>Total liabilities</b>	<u>2,111,602</u>	<u>197,269</u>	<u>720,917</u>	<u>3,029,788</u>
Deferred inflows of resources:				
Unavailable property taxes	118,652	-	700	119,352
<b>Total deferred inflows</b>	<u>118,652</u>	<u>-</u>	<u>700</u>	<u>119,352</u>
Fund balances:				
Nonspendable	231,505	175,618	8,504	415,627
Restricted				
Capital projects	568,739	4,518,754	7,200,344	12,287,837
Judicial	-	-	292,974	292,974
Public safety	-	-	225,159	225,159
Public works	-	-	1,000	1,000
Culture and recreation	-	-	54,617	54,617
Housing and development	-	-	139,487	139,487
Committed				
Public works	1,592,447	-	-	1,592,447
Assigned				
Health and welfare	-	-	169,526	169,526
Housing and development	-	-	797,392	797,392
Unassigned	8,668,829	-	(5,854)	8,662,975
<b>Total fund balances</b>	<u>11,061,520</u>	<u>4,694,372</u>	<u>8,883,149</u>	<u>24,639,041</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 13,291,774</u>	<u>\$ 4,891,641</u>	<u>\$ 9,604,766</u>	<u>\$ 27,788,181</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, 2017**

Total <i>fund</i> balances for governmental funds (Exhibit 3)	\$	24,639,041
Total <i>net position</i> 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	29,867,585	
Capital assets, net of depreciation	61,880,426	
Total capital assets		91,748,011
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.		119,348
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.		1,877,949
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.		(526,120)
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.		(220,816)
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.		622,088
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	\$ (280,600)	
Bonds, notes, and capital leases payable	(22,922,635)	
Net pension liability	(8,146,578)	
Compensated absences	(713,638)	
Total long-term liabilities		(32,063,451)
Total net position of governmental activities (Exhibit 1)	\$	86,196,050

**Oconee County, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 21,868,005	\$ 6,748,032	\$ 163,081	\$ 28,779,118
Licenses and permits	780,751	-	-	780,751
Intergovernmental revenue	3,019,859	-	552,450	3,572,309
Charges for services	2,594,752	-	1,092,475	3,687,227
Fines and forfeitures	434,606	-	77,538	512,144
Investment income	33,449	3,345	24,349	61,143
Contributions and donations	6,596	-	133,071	139,667
Miscellaneous	137,640	-	21,530	159,170
<b>Total revenues</b>	<u>28,875,658</u>	<u>6,751,377</u>	<u>2,064,494</u>	<u>37,691,529</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,195,908	-	3,368	5,199,276
Judicial	1,839,504	-	438,846	2,278,350
Public safety	7,355,422	-	1,690,952	9,046,374
Public works	6,750,818	-	227,397	6,978,215
Health and welfare	287,883	-	496,979	784,862
Culture and recreation	3,177,049	-	74,277	3,251,326
Housing and development	1,154,225	-	176,660	1,330,885
Debt service:				
Principal payments	425,000	628,319	8,206	1,061,525
Interest and fiscal charges	392,866	380,899	1,623	775,388
Debt issuance costs	-	-	-	-
Capital outlay:				
General government	-	457,096	314,340	771,436
Judicial	-	154,578	-	154,578
Public safety	-	542,022	47,228	589,250
Public works	-	1,786,151	209,521	1,995,672
Culture and recreation	-	89,007	156,531	245,538
Housing and development	-	-	3,705,937	3,705,937
Intergovernmental	-	945,399	-	945,399
<b>Total expenditures</b>	<u>26,578,675</u>	<u>4,983,471</u>	<u>7,551,865</u>	<u>39,114,011</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>2,296,983</u>	<u>1,767,906</u>	<u>(5,487,371)</u>	<u>(1,422,482)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	46,835	-	-	46,835
Transfers in	32,500	-	1,597,948	1,630,448
Transfers (out)	(2,136,318)	(12,000)	(332,562)	(2,480,880)
<b>Total other financing sources (uses)</b>	<u>(2,056,983)</u>	<u>(12,000)</u>	<u>1,265,386</u>	<u>(803,597)</u>
<b>Net change in fund balances</b>	240,000	1,755,906	(4,221,985)	(2,226,079)
<b>Fund balances - beginning</b>	10,821,520	2,938,466	13,105,134	26,865,120
<b>Fund balances - ending</b>	<u>\$ 11,061,520</u>	<u>\$ 4,694,372</u>	<u>\$ 8,883,149</u>	<u>\$ 24,639,041</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, 2017**

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ (2,226,079)

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 (\$8,432,605) exceeded depreciation (\$5,218,105) in the current period. 3,214,500

In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets disposed (net of accumulated depreciation). (9,369)

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: (108,086)

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. (162,363)

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. (44,833)

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. (24,810)



**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, 2017**

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. 623,673

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	1,061,525	
Accrued interest on debt	20,497	
Amortization of deferred amount on bond refunding	(38,881)	
Amortization of bond premiums and discounts	19,878	
		1,063,019

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. 5,950

Change in net position of governmental activities (Exhibit 2) \$ 2,331,602

**Oconee County, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

ASSETS	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
Current assets:			
Cash (Note 2)	\$ 7,125,308	\$ 819	\$ 7,126,127
Investments, plus accrued interest (Note 2)	4,146,603	-	4,146,603
Accounts receivable, net of allowance of \$61,904	731,711	5,483	737,194
Internal balances (Note 4)	-	723,411	723,411
Due from other governments	300,478	552	301,030
Prepaid items	10,746	3,352	14,098
Total current assets	12,314,846	733,617	13,048,463
Noncurrent assets:			
Restricted cash (Note 2)	4,550,779	-	4,550,779
Restricted investments (Note 2)	152,851	-	152,851
Investment - UOBWA, net (Note 5)	9,420,756	-	9,420,756
Capital assets (Note 3)			
Capital assets not being depreciated	18,000,577	150,000	18,150,577
Capital assets, net of accumulated depreciation	76,692,711	1,539,338	78,232,049
Total capital assets	94,693,288	1,689,338	96,382,626
Total noncurrent assets	108,817,674	1,689,338	110,507,012
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on debt refunding	2,301,722	-	2,301,722
Deferred outflow related to pensions (Note 9)	186,950	38,572	225,522
Total deferred outflows	2,488,672	38,572	2,527,244
<b>Total assets and deferred outflows</b>	123,621,192	2,461,527	126,082,719
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	307,606	49,680	357,286
Accounts payable-construction from restricted investments	29,504	-	29,504
Retainage payable	73,181	-	73,181
Internal balances (Note 4)	276,303	-	276,303
Salaries and benefits payable	40,088	17,779	57,867
Accrued interest	440,103	-	440,103
Customer deposits-payable from restricted cash	853,112	-	853,112
Bonds, notes and contracts payable (Note 7)	2,071,098	-	2,071,098
Total current liabilities	4,090,995	67,459	4,158,454
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	37,786,286	-	37,786,286
Net pension liability (Note 9)	663,082	337,371	1,000,453
Compensated absences (Note 7)	76,798	29,534	106,332
Total noncurrent liabilities	38,526,166	366,905	38,893,071
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions (Note 9)	52,665	10,557	63,222
<b>Total liabilities and deferred inflows</b>	42,669,826	444,921	43,114,747
<b>NET POSITION</b>			
Net investment in capital assets	64,260,387	1,689,338	65,949,725
Restricted for debt service	1,722,383	-	1,722,383
Unrestricted	14,968,596	327,268	15,295,864
<b>Total net position</b>	\$ 80,951,366	\$ 2,016,606	\$ 82,967,972

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, 2017**

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 9,413,615	\$ 264,385	\$ 9,678,000
Licenses and permits	-	7,000	7,000
Rents and royalties	-	127,395	127,395
Miscellaneous	257,567	7,587	265,154
<b>Total operating revenues</b>	<b>9,671,182</b>	<b>406,367</b>	<b>10,077,549</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,704,546	450,862	2,155,408
Other contracted services	320,287	267,642	587,929
Water purchase and treatment costs	1,447,725	-	1,447,725
Supplies and materials	36,676	37,597	74,273
Repairs and maintenance	601,080	37,430	638,510
Utilities	376,068	63,849	439,917
Insurance	10,259	10,772	21,031
Depreciation	2,149,218	72,763	2,221,981
Other charges	127,492	32,494	159,986
<b>Total operating expenses</b>	<b>6,773,351</b>	<b>973,409</b>	<b>7,746,760</b>
<b>Operating income (loss)</b>	<b>2,897,831</b>	<b>(567,042)</b>	<b>2,330,789</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	71,647	-	71,647
Gain on disposal of assets	6,776	-	6,776
Water availability fees	865,366	-	865,366
Sewer capacity fees	680,806	-	680,806
Sewer connection fees	145,350	-	145,350
Amortization expense - UOBWA	(151,654)	-	(151,654)
Interest expense	(1,668,920)	-	(1,668,920)
<b>Total nonoperating revenue (expense)</b>	<b>(50,629)</b>	<b>-</b>	<b>(50,629)</b>
<b>Income (loss) before contributions and transfers</b>	<b>2,847,202</b>	<b>(567,042)</b>	<b>2,280,160</b>
Capital contributions	1,226,380	-	1,226,380
Transfers in	285,562	564,870	850,432
<b>Change in net position</b>	<b>4,359,144</b>	<b>(2,172)</b>	<b>4,356,972</b>
<b>Total net position - beginning</b>	<b>76,592,222</b>	<b>2,018,778</b>	<b>78,611,000</b>
<b>Total net position - ending</b>	<b>\$ 80,951,366</b>	<b>\$ 2,016,606</b>	<b>\$ 82,967,972</b>

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, 2017**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Other Enterprise Funds</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 9,981,884	\$ 405,147	\$ 10,387,031
Payments to suppliers	(3,085,984)	(447,338)	(3,533,322)
Payments to employees	(1,684,209)	(440,176)	(2,124,385)
Net cash provided (used) by operating activities	<u>5,211,691</u>	<u>(482,367)</u>	<u>4,729,324</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	494,233	494,233
Interfund loans - proceeds and collections	(50,369)	-	(50,369)
Net cash provided (used) by noncapital financing activities	<u>(50,369)</u>	<u>494,233</u>	<u>443,864</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(4,522,534)	(23,585)	(4,546,119)
Cash received from capital restricted grants	268,192	-	268,192
Transfers in used for construction of capital assets	285,562	12,000	297,562
Proceeds from issuance of debt	10,820,557	-	10,820,557
Deposits with escrow agent to defease debt	(11,068,847)	-	(11,068,847)
Principal payments on debt	(1,662,828)	-	(1,662,828)
Interest payments on debt	(1,342,490)	-	(1,342,490)
Payment of bond issuance costs	(237,157)	-	(237,157)
Sewer capacity and connection fees from customers	1,691,521	-	1,691,521
Proceeds from sale of capital assets	6,776	-	6,776
Net cash (used) for capital and related financing activities	<u>(5,761,248)</u>	<u>(11,585)</u>	<u>(5,772,833)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	47,356	-	47,356
Purchase of investments	(688,963)	-	(688,963)
Proceeds from sale of investments	3,406,909	-	3,406,909
Net cash provided by investing activities	<u>2,765,302</u>	<u>-</u>	<u>2,765,302</u>
Net change in cash	2,165,376	281	2,165,657
Cash - beginning	9,510,711	538	9,511,249
Cash - end	<u>\$ 11,676,087</u>	<u>\$ 819</u>	<u>\$ 11,676,906</u>
Displayed as:			
Cash	\$ 7,125,308	\$ 819	\$ 7,126,127
Restricted cash - noncurrent	4,550,779	-	4,550,779
	<u>\$ 11,676,087</u>	<u>\$ 819</u>	<u>\$ 11,676,906</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 2,897,831	\$ (567,042)	\$ 2,330,789
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,149,218	72,763	2,221,981
Change in assets, liabilities and deferred amounts:			
Receivables, net	239,994	(668)	239,326
Prepaid items	(147)	123	(24)
Due from other governments	46,336	(552)	45,784
Accounts payable	(212,586)	2,323	(210,263)
Accrued expenses	2,552	3,310	5,862
Customer deposits	70,708	-	70,708
Compensated absences	6,958	5,205	12,163
Net change in pension deferrals	10,702	2,146	12,848
Net pension liability	125	25	150
Net cash provided (used) by operating activities	<u>\$ 5,211,691</u>	<u>\$ (482,367)</u>	<u>\$ 4,729,324</u>
<b>Non-cash investing, capital and financing activities:</b>			
Discount on GEFA note	\$ 563,381	\$ -	\$ 563,381
Contribution of water system assets	192,284	-	192,284

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

**Oconee County, Georgia**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	<u>\$ 1,088,699</u>
<b>Total assets</b>	<u>1,088,699</u>
 <b>LIABILITIES</b>	
Due to others	<u>1,088,699</u>
<b>Total liabilities</b>	<u>1,088,699</u>
<b>NET POSITION</b>	<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, 2017**

**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 \$93,473 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, 2017**

**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, 2017**

**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, 2017**

**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 \$78,684 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 August 30, 2016. The collection period for property taxes was September 15, 2016 through November 15, 2016. Taxes receivable at June 30, 2017 amounted to \$125,483 while unavailable property taxes totaled \$119,352.

**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, 2017**

**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, 2017**

**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, 2017, none of the County's deposits was exposed to custodial credit risk.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 2: Deposits and Investments, continued**

**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	\$ 12,235
 <u>Water and Sewer Fund</u>	
Debt service reserve - 2009 bonds	855,777
Debt service reserve - 2012 bonds	352,334
Sinking Fund - WCWSA 2016 bonds	361,421
Construction proceeds - WCWSA 2012 GEFA	73,181
Construction proceeds - WCWSA 2016 bonds	2,060,410
Customer deposits	847,656
Restricted cash - noncurrent	<u>\$ 4,550,779</u>

**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, 2017, the County had \$13,260,608 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 AAAf 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 2: Deposits and Investments, continued**

**Foreign Currency Risk**

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

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>
<u>Unrestricted:</u>			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	26 days	\$ 2,201,114
Certificates of deposit		12 month	1,945,489
			<u>4,146,603</u>
<u>General Fund</u>			
Georgia Fund 1	AAAf	26 days	7,712,359
<u>Non-major Funds</u>			
Georgia Fund 1	AAAf	26 days	3,197,927
Certificates of deposit		12 month	682,748
			<u>3,880,675</u>
		Total unrestricted	<u>15,739,637</u>
<u>Restricted:</u>			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	26 days	149,208
Fidelity Treasury Money Market Shares	AAAm	53 days	3,643
		Total restricted	<u>152,851</u>
		Total investments	<u>\$ 15,892,488</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>Investments measured at fair value:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
Georgia Fund 1	-	-	-	\$ 13,260,608

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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 2: Deposits and Investments, continued**

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

Water and Sewer Fund

Debt service reserve 2003 bonds	\$ 3,643
Sinking Fund 2015 WCWSA Contract Payable	149,208
Restricted investments - noncurrent	<u>152,851</u>

**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, 2017 was as follows:

Primary Government

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,758,938	\$ 93,750	\$ -	\$ 11,852,688
Construction in progress	9,977,483	7,622,958	170,344	17,430,097
Intangibles	543,800	41,000	-	584,800
Total capital assets not being depreciated	<u>22,280,221</u>	<u>7,757,708</u>	<u>170,344</u>	<u>29,867,585</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	109,541,449	389,798	-	109,931,247
Buildings and improvements	43,556,680	433,861	-	43,990,541
Equipment, furniture and vehicles	16,048,359	635,887	252,022	16,432,224
Total capital assets being depreciated	<u>169,146,488</u>	<u>1,459,546</u>	<u>252,022</u>	<u>170,354,012</u>
Less accumulated depreciation for:				
Infrastructure	77,018,728	2,819,119	-	79,837,847
Buildings and improvements	14,240,042	1,417,221	-	15,657,263
Equipment, furniture and vehicles	12,248,733	981,765	252,022	12,978,476
Total accumulated depreciation	<u>103,507,503</u>	<u>5,218,105</u>	<u>252,022</u>	<u>108,473,586</u>
Total capital assets being depreciated, net	<u>65,638,985</u>	<u>(3,758,559)</u>	<u>-</u>	<u>61,880,426</u>
Governmental activity capital assets, net	<u>\$ 87,919,206</u>	<u>\$ 3,999,149</u>	<u>\$ 170,344</u>	<u>\$ 91,748,011</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 3: Capital Assets, continued**

Depreciation expense was charged to functions as follows:

General government	\$ 278,004
Judicial	8,011
Public safety	1,114,081
Public works	3,037,921
Health and welfare	39,259
Culture and recreation	690,550
Housing and development	50,279
Total governmental activities depreciation expense	\$ 5,218,105

Total interest cost incurred for governmental activities was \$763,462. All of the interest cost incurred for governmental activities was expensed.

	<b>Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances</b>
<b>Water and Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 3,442,714	\$ 8,905,093	\$ -	\$ 12,347,807
Construction in progress	31,549,528	4,001,503	29,956,557	5,594,474
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	35,050,538	12,906,596	29,956,557	18,000,577
Capital assets being depreciated:				
Treatment and distribution system	80,994,232	21,695,577	-	102,689,809
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,109,013	58,619	-	1,167,632
Total capital assets being depreciated	82,399,381	21,754,196	-	104,153,577
Less accumulated depreciation for:				
Treatment and distribution system	24,206,572	2,091,303	-	26,297,875
Buildings and improvements	133,760	9,533	-	143,293
Equipment, furniture and vehicles	971,316	48,382	-	1,019,698
Total accumulated depreciation	25,311,648	2,149,218	-	27,460,866
Capital assets being depreciated, net	57,087,733	19,604,978	-	76,692,711
Water and sewer capital assets, net	92,138,271	32,511,574	29,956,557	94,693,288



**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 3: Capital Assets, continued**

**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	23,585	-	2,859,954
Equipment, furniture and vehicles	278,978	-	-	278,978
Total capital assets being depreciated	<u>3,160,212</u>	<u>23,585</u>	<u>-</u>	<u>3,183,797</u>
Less accumulated depreciation for:				
Land improvements	33,899	1,032	-	34,931
Buildings and improvements	1,314,080	63,267	-	1,377,347
Equipment, furniture and vehicles	223,717	8,464	-	232,181
Total accumulated depreciation	<u>1,571,696</u>	<u>72,763</u>	<u>-</u>	<u>1,644,459</u>
Capital assets being depreciated, net	<u>1,588,516</u>	<u>(49,178)</u>	<u>-</u>	<u>1,539,338</u>
Total non-major business-type activities, net	<u>1,738,516</u>	<u>(49,178)</u>	<u>-</u>	<u>1,689,338</u>
Business-type activities capital assets, net	<u>\$ 93,876,787</u>	<u>\$ 32,462,396</u>	<u>\$ 29,956,557</u>	<u>\$ 96,382,626</u>

The Water and Sewer Fund incurred total interest cost of \$1,372,687 of interest costs, all of which was expensed.

**Note 4: Interfund Balances and Activity**

Interfund balances at June 30, 2017 consist of the following:

Due to:	Due from:				Total
	General Fund	SPLOST 2015	Non-major Gov't Funds	Water & Sewer Fund	
<u>Governmental funds</u>					
General Fund	\$ -	\$ 8,960	\$ 115,454	\$ 276,303	\$ 400,717
Non-major Gov't Funds	325,963	-	7,833	-	333,796
<u>Enterprise funds</u>					
Non-major Enterprise Funds	723,411	-	-	-	723,411
	<u>\$ 1,049,374</u>	<u>\$ 8,960</u>	<u>\$ 123,287</u>	<u>\$ 276,303</u>	<u>\$ 1,457,924</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 \$279,818 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 4: Interfund Balances and Activity, continued**

**Transfers to/from Other Funds**

<u>Transfers Out:</u>	Transfers in:				<u>Total</u>
	General Fund	Nonmajor Gov't Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 1,583,448	\$ -	\$ 552,870	\$ 2,136,318
SPLOST 2015	-	-	-	12,000	12,000
Non-major Gov't Funds	32,500	14,500	285,562	-	332,562
	\$ 32,500	\$ 1,597,948	\$ 285,562	\$ 564,870	\$ 2,480,880

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 \$32,500 in transfers from the nonmajor governmental funds, \$16,000 were to assist with debt service payments that were made from the General Fund.

The General Fund transferred out \$1,583,448 to nonmajor gov't funds and \$552,870 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 \$285,562 to the Water and Sewer Fund to assist with capital projects as was approved by the voters in the 2009 SPLOST referendum.

The SPLOST 2015 Fund transferred \$12,000 to the Special Facilities Fund to assist with capital projects as was approved by the voters in the 2015 SPLOST referendum.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 5: Other Assets, continued**

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
	11,898,535
Accumulated amortization	(2,477,779)
Investment in UOBWA, net	\$ 9,420,756

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: Tax Abatements**

The County can enter into ad valorem property tax abatement agreements with the Oconee County Industrial Development Authority (“The Authority”) under O.C.G.A. § 36-62 by participating with The Authority and local businesses through a bond-lease transaction. Under this arrangement, The Authority issues revenue bonds. The proceeds of the bonds enable The Authority to take title to the applicant’s economic development project. The project then is leased or rented by The Authority to the applicant and the applicant pays rents that repay the bonds. The purpose of tax abatements through this authority is to create community employment and community investment. Eligibility for this program is individually considered based on the employment and investment commitment made by the applicant.

For the fiscal year ended June 30, 2017, the County abated ad valorem property taxes totaling \$237,055 through an agreement. The following agreement(s) exceeds 25 percent of the total amount abated:

A local manufacturing plant had tax abatements of \$237,055. The appraised value of leasehold interests is discounted using the agreement’s rate schedule. By meeting community job and community investment goals each year, the manufacturer continues to be eligible for tax abatements. If there is a shortfall in meeting the established criteria, 100% of abated taxes in the year of the shortfall will be due.

**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 2015 Fund.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 7: Long-term Obligations, continued**

**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:

	<u>Historical Cost</u>	<u>Accumulated Amortization</u>
Mobile Data Terminals	\$ 483,512	\$ 144,921
Interact Computer Aid Dispatch	201,538	60,406
Net Motion Licenses	44,141	13,230

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

**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 \$18,483,602, 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 7: Long-term Obligations, continued**

*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. 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 \$549,919. 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.

The Series 2003, Series 2009, and Series 2012 Bonds are secured by a lien on the net revenues of the County's water and sewer system and the other debts of the water and sewer system are subordinate to them.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 7: Long-term Obligations, continued**

**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. Under the terms of the Contract, the County 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 Series 2008 Bonds were partially refunded with the issuance of the Series 2015 Bonds and the refunding of the Series 2008 Bonds was completed with the issuance of the Series 2016 Bonds (discussed below).

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 Bonds at a premium of \$769,090. The County signed an intergovernmental contract for these bonds that is substantially the same as the one related to the Series 2008 Bonds. The refunding of this portion of the Series 2008 Bonds resulted in a deferred charge of \$1,113,677 that will be amortized to interest expense using the straight-line method over the life of the Series 2015 Bonds. The Series 2015 Bonds bear interest at rates ranging from 2% to 4% and mature at dates ranging from 2016 to 2035. The Contract Payable that obligates the County to make the debt service payments required by the Series 2015 Bonds is subordinate to the County's revenue bonds described above.

During October 2016, the WCWSA completed its refunding of the Series 2008 Bonds by issuing \$9,465,000 of its Series 2016 Bonds at a premium of \$1,351,577. The County again signed an intergovernmental agreement requiring that the County make Contract Payments sufficient to pay the debt service on the Series 2016 Bonds. The remaining outstanding Series 2008 Bonds had a carrying value of \$10,464,994 and a reacquisition price of \$11,068,847 resulting in a deferred charge of \$603,853. The deferred charge will be amortized to interest expense using the straight-line method over the life of the Series 2016 Bonds. The Series 2016 Bonds bear interest at rates ranging from 2% to 5% and mature at dates ranging from 2017 to 2038. The Contract Payable that obligates the County to make the debt service payments required by the Series 2016 Bonds is subordinate to the County's revenue bonds described above.

The payments required to liquidate the contract payable related to the remaining Series 2008 Bonds refunded with the Series 2016 Bonds total \$15,659,178 and the payments required to liquidate the contract payable related to the newly issued Series 2016 Bonds total \$14,231,120. This results in reduced total debt service payments of \$1,428,058. The economic gain on refunding, calculated by discounting the cash flow savings using the average yield of the Series 2016 Bonds, is \$1,260,864.

The entire \$19.535 million of refunded Series 2008 Bonds are considered to be defeased by the issuance of the Series 2015 and Series 2016 Bonds because the County has irrevocably transferred to a trustee an amount adequate to completely retire the \$19.535 million of refunded bonds. The funds held in escrow by the trustee are required to be used to retire the Series 2008 Bonds and the County has no authority to access the funds. Since the refunded bonds have been defeased, they are no longer accounted for as an obligation of the County even though \$18,075,000 of the refunded bonds were still legally outstanding at year-end.

**Notes Payable**

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 accrued or paid during the construction period, which originally continued until August 2016. GEFA modified the note during 2017 to extend the period that the note does not accrue interest until February 1, 2018. From that date, the note accrues interest at 1%. No debt service payments are due until the note matures at December 31, 2052. All accrued interest and the principal are due at maturity.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 7: Long-term Obligations, continued**

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 \$7,357,887 on the note and the County's 28.8% share was \$2,119,071. All of the money drawn to date was still outstanding at year-end. GEFA modified the note during 2017 so that no interest accrues until February 1, 2018. The modification then calls for the note to accrue 1% interest from February 1, 2018 until August 1, 2019 when the interest rate increases to 2%. All of the interest that accrues between February 2018 and August 2019 will be capitalized into the note balance. From September 1, 2019, the County will make 60 monthly interest only payments. The County will make 419 equal monthly principal and interest payments of \$7,137 based on the amount of the note outstanding at year-end.

Because the notes bear interest at rates that differ substantially from the market interest rate available to the County, the accounting standards require 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. Because GEFA modified the two notes during the year to make the terms even more favorable for the County, the County recalculated the note discounts and recorded the additional discounts as a capital contribution. The discounts 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>
<b>Governmental activities:</b>					
Contracts payable - OCIDA	\$ 13,840,000	\$ -	\$ 425,000	\$ 13,415,000	\$ 870,000
Less: discount	(9,539)	-	(540)	(8,999)	-
Net contracts payable	<u>13,830,461</u>	<u>-</u>	<u>424,460</u>	<u>13,406,001</u>	<u>870,000</u>
General obligation bonds	9,335,000	-	400,000	8,935,000	415,000
Issuance premiums	336,902	-	20,418	316,484	-
Net bonds payable	<u>9,671,902</u>	<u>-</u>	<u>420,418</u>	<u>9,251,484</u>	<u>415,000</u>
Capital leases	501,675	-	236,525	265,150	236,582
Total contracts payable, bond payable and capital leases, net	24,004,038	-	1,081,403	22,922,635	1,521,582
Net pension liability	8,145,326	3,026,847	3,025,595	8,146,578	-
Compensated absences	719,588	456,728	462,678	713,638	25,087
Total governmental activities	<u>\$ 32,868,952</u>	<u>\$ 3,483,575</u>	<u>\$ 4,569,676</u>	<u>\$ 31,782,851</u>	<u>\$ 1,546,669</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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>
<b>Business-type activities:</b>					
Notes payable - GEFA	\$ 7,875,092	\$ 3,980	\$ -	\$ 7,879,072	\$ -
Less: discounts on GEFA notes	(3,046,961)	(563,381)	129,716	(3,480,626)	-
Total notes payable	<u>4,828,131</u>	<u>(559,401)</u>	<u>129,716</u>	<u>4,398,446</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	5,838,243	-	452,828	5,385,415	461,098
Plus: issuance premium	635,035	-	57,731	577,304	-
WCWSA Contract payable	18,855,000	9,465,000	10,565,000	17,755,000	490,000
Less: issuance discount	(57,507)	-	(57,507)	-	-
Plus: issuance premiums	732,936	1,351,577	86,956	1,997,557	-
Total contracts payable	<u>26,003,707</u>	<u>10,816,577</u>	<u>11,105,008</u>	<u>25,715,276</u>	<u>951,098</u>
Bonds payable:					
Revenue bonds	10,060,000	-	1,085,000	8,975,000	1,120,000
Deferred amounts:					
Issuance discounts	(1,563)	-	(224)	(1,339)	-
Issuance premiums	909,610	-	139,609	770,001	-
Total bonds payable	<u>10,968,047</u>	<u>-</u>	<u>1,224,385</u>	<u>9,743,662</u>	<u>1,120,000</u>
Total notes payable, contracts payable and bonds payable, net	41,799,885	10,257,176	12,459,109	39,857,384	2,071,098
Net pension liability - Water	662,957	303,211	303,086	663,082	-
Net pension liability - Nonmajor	337,346	60,804	60,779	337,371	-
Compensated absences - Water	69,840	44,698	37,740	76,798	-
Compensated absences - Nonmajor	24,329	15,570	10,365	29,534	-
Total Business-type activities	<u>\$ 42,894,357</u>	<u>\$ 10,681,459</u>	<u>\$ 12,871,079</u>	<u>\$ 40,964,169</u>	<u>\$ 2,071,098</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	\$ 2,605,000	\$ 6,270,000	\$ 8,975,000
Unamortized discount	(1,339)	-	-	(1,339)
Unamortized premium	-	49,246	720,755	770,001
Net total	<u>\$ 98,661</u>	<u>\$ 2,654,246</u>	<u>\$ 6,990,755</u>	<u>\$ 9,743,662</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, 2017**

**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
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	480,000	275,560	950,000	276,824
2023 - 2027	2,715,000	1,027,063	4,575,000	1,028,138
2028 - 2032	3,245,000	506,623	2,965,000	533,328
2033 - 2034	730,000	27,740	1,325,000	74,000
	<u>\$ 8,935,000</u>	<u>\$ 3,122,626</u>	<u>\$ 13,415,000</u>	<u>\$ 3,227,624</u>

Future minimum lease payments at year-end are:

Year Ending June, 30	Governmental Activities
2018	247,980
2019	9,829
2020	9,829
2021	4,914
Minimum lease payments	<u>272,552</u>
Less: Interest	<u>(7,402)</u>
Net present value of minimum lease payments	<u>\$ 265,150</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
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	-	4,500	-	-	1,335,000	171,875
2023 - 2024	100,000	6,750	-	-	2,770,000	137,750
	<u>\$ 100,000</u>	<u>\$ 29,250</u>	<u>\$ 2,605,000</u>	<u>\$ 168,400</u>	<u>\$ 6,270,000</u>	<u>\$ 1,397,050</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 7: Long-term Obligations, continued**

Year Ending	<b>Water and Sewer Fund</b>					
	<b>Contract Payable - UOBWA</b>		<b>Contract Payable - WCWSA</b>		<b>Notes Payable - GEFA</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30,</b>						
2018	\$ 461,098	\$ 214,175	\$ 490,000	\$ 725,588	\$ -	\$ -
2019	474,721	200,342	500,000	715,538	-	-
2020	489,393	186,100	515,000	700,694	-	67,864
2021	504,064	171,418	540,000	680,500	-	43,022
2022	519,783	156,297	555,000	659,306	-	43,022
2023 - 2027	2,936,356	440,218	3,220,000	2,861,269	124,161	211,727
2028 - 2032	-	-	4,730,000	2,023,600	237,013	191,237
2033 - 2037	-	-	5,860,000	996,400	261,918	166,331
2038 - 2042	-	-	1,345,000	53,800	289,440	138,809
2043 - 2047	-	-	-	-	319,854	108,395
2048 - 2052	-	-	-	-	353,464	74,785
2053 - 2057	-	-	-	-	6,150,605	2,048,304
2058 - 2060	-	-	-	-	142,617	3,811
	<u>\$ 5,385,415</u>	<u>\$ 1,368,550</u>	<u>\$ 17,755,000</u>	<u>\$ 9,416,695</u>	<u>\$ 7,879,072</u>	<u>\$ 3,097,307</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 imposed by enabling legislation on the use of the remaining fund balance in the funds as follows:

Capital projects	\$ 11,211,458
Judicial	265,685
Public safety	119,159
Housing and Development	129,670
	<u>\$ 11,725,972</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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 benefit 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, 2017**

**Note 9: Retirement Benefits, continued**

**Plan Membership**

Retirees, beneficiaries and disabled receiving benefits	84
Terminated plan members entitled to but not receiving benefits	117
Active plan members	180
 Total	 381
 Covered compensation for active participants	 \$ 7,986,368

**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 \$1,675,242 and its actual contribution was \$1,732,389, or 103% of the required contribution and 21.69% of the covered compensation. The County paid its contribution during December 2016, so the County reported no payable and the plan reported no receivable for amounts due for the 2016 plan year.

**Net Pension Liability**

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2016 and the *net pension liability* was measured as of the same date. The December 31, 2016 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	7.25% revised from 7.50% as of the measurement date of December 31, 2016
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%
Future payroll growth	5.50% per year

Based on the results of a February 2014 experience study

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, 2017**

**Note 9: Retirement Benefits, continued**

**Change in Assumptions**

The actuarial valuation as of December 31, 2016 used a discount rate of 7.25% and the valuation at the prior measurement date used a discount rate of 7.50%. The change in the discount rate was the result of an analysis performed by the Board of Trustees of the ACCG Plan during 2016. The change in assumption increased the total pension liability by \$833,028.

**Discount Rate**

The discount rate is determined using a building block approach based on 20-year benchmarks (33.33% weighting), 30-year benchmarks (33.33% weighting), and forward-looking capital market assumptions for moderate asset allocations as determined by UBS (33.34% 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	6.82%	33.33%	2.27%
30-year benchmark weighted average return	8.28%	33.33%	2.76%
UBS capital market moderate asset allocation assumption	6.40%	33.34%	<u>2.13%</u>
Calculated discount rate			<u><u>7.17%</u></u>
Rounded to the nearest 0.25% and used as the discount rate			<b>7.25%</b>

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%	7.91%	10.22%
Barclay's Agg.	30%	5.60%	6.56%
MCSE EAFE	15%	4.29%	5.73%
Citi Non US WEBI	5%	4.66%	5.98%
NAREIT Equity	5%	10.79%	10.44%
Russell 2000	5%	8.06%	9.33%
Russell 3000	5%	8.03%	10.14%
S&P Mid-cap	5%	11.22%	11.53%
	<u>100%</u>		
Weighted average return		6.82%	8.28%

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 9: Retirement Benefits, continued**

The Plan used a 7.50% discount rate to calculate the beginning total pension liability. Effective December 31, 2016, the ACCG Plan trustees updated its estimate of the expected long-term investment returns on plan assets by reducing the discount rate to 7.25%. The updated rate was used to calculate the 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:

	<b>Discount Rate</b>	
	<b>Sensitivity Analysis</b>	
	6.25%	8.25%
Total Pension Liability	\$ 29,714,213	\$ 22,855,876
Fiduciary Net Position	<u>16,826,917</u>	<u>16,826,917</u>
Net Pension Liability	<u>\$ 12,887,296</u>	<u>\$ 6,028,959</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:

<b>Summary of Changes</b>	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Beginning of year	\$ 24,418,791	\$ 15,273,164	\$ 9,145,627
Changes during the plan year:			
Service cost	654,950	-	654,950
Interest on total pension liability	1,790,320	-	1,790,320
Liability experience (gain)/loss	(627,429)	-	(627,429)
Assumption change	833,028	-	833,028
Employer contributions	-	1,732,389	(1,732,389)
Employee contributions	-	-	-
Net investment income	-	1,029,641	(1,029,641)
Benefit payments	(1,095,712)	(1,095,712)	-
Administrative expenses	-	(44,505)	44,505
Other expense	-	(68,060)	68,060
Net change	<u>1,555,157</u>	<u>1,553,753</u>	<u>1,404</u>
End of year	<u>\$ 25,973,948</u>	<u>\$ 16,826,917</u>	<u>\$ 9,147,031</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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	\$ 1,732,389
Change in net pension liability	1,404
Deferred outflow related to investment results	(91,524)
Deferred outflow related to change in assumptions	(833,028)
Deferred inflows related to experience gain	627,429
Amortization of deferred inflows	(119,025)
Amortization of deferred outflows	<u>535,830</u>
Pension expense	<u>\$ 1,853,475</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	\$ -	\$ 589,342
Change of assumptions	1,353,076	-
Net difference between projected and actual earnings on Plan investments	<u>750,395</u>	<u>-</u>
	<u>\$ 2,103,471</u>	<u>\$ 589,342</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 9: Retirement Benefits, continued**

The County made its pension contribution for the 2016 plan year (calendar year 2016) in December 2016. 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.

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 effect of the expected amortization of the County's current deferred outflows and inflows on the County's pension expense over the next five years is:

Year ended June 30,	<u>Experience Difference</u>	<u>Assumption Change</u>	<u>Investment Results Difference</u>	<u>Net Change In Pension Expense</u>
2018	\$ (119,025)	\$ 282,074	\$ 253,756	\$ 416,805
2019	(119,025)	282,074	253,756	416,805
2020	(119,025)	282,074	224,247	387,296
2021	(119,025)	282,074	18,636	181,685
2022	(113,242)	224,780	-	111,538
	<u>\$ (589,342)</u>	<u>\$ 1,353,076</u>	<u>\$ 750,395</u>	<u>\$ 1,514,129</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, 2017**

**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	192
	_____
Total participants	247
	_____

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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>(156,808)</u>
Change in Net OPEB Obligation	162,363
Net OPEB Obligation/(Asset), beginning	<u>58,453</u>
Net OPEB Obligation/(Asset), ending	<u><u>\$ 220,816</u></u>
Percentage of ARC contributed	49%

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:

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2017**

**Note 10: Other Postemployment Benefits (OPEB), continued**

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%

**Trend Information**

Year Ended	OPEB Cost	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation/(Asset)
6/30/2017	\$ 319,171	\$ 156,808	49%	\$ 220,816
6/30/2016	319,171	138,709	43%	58,453
6/30/2015	107,735	143,792	133%	(122,009)

**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	7/01/2015
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, 2017**

**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, 2017**

**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, 2017, the County received \$163,081 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 \$163,311 in expenditures. Of these expenditures, \$86,000 was spent from the restricted portion of fund balance and \$77,311 was spent from the unrestricted portion of the tax (40%). At June 30, 2017, \$294,154 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, Oconee County, Georgia issued Water and Sewerage Revenue Bonds, Series 2017A in the amount of \$10,915,000 and Series 2017B in the amount of \$1,765,000. The Series 2017A Bonds are being issued to (i) finance the renovation and improvement of the Calls Creek Wastewater Reclamation Facility and the acquisition, construction and installation of additional water and sewer facilities and equipment (the “Projects”) and (ii) pay certain costs and expenses relating to the issuance of the Series 2017A Bonds. The Series 2017A Bonds bear interest at 5% and will mature between 2024 and 2037. The Series 2017B Bonds are being issued to (i) advance refund the County’s outstanding Water and Sewerage Refunding Revenue Bonds, Series 2009, and (ii) pay certain costs and expenses relating to the issuance of the Series 2017B Bonds. The Series 2017B Bonds bear interest at 2% and will mature in 2018 and 2019.

## **Required Supplementary Information**

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

<b>Changes in Total Pension Liability</b>	Year Ended June 30,		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total Pension Liability - beginning of year	\$ 20,916,657	\$ 22,193,423	\$ 24,418,791
Service cost	662,925	660,206	654,950
Interest on total pension liability	1,534,234	1,630,194	1,790,320
Assumption change	-	945,358	833,028
Benefit payments (adjusted for interest)	(920,393)	(914,999)	(1,095,712)
Liability experience gain / loss	-	(95,391)	(627,429)
<b>Total Pension Liability - end of year</b>	<b>22,193,423</b>	<b>24,418,791</b>	<b>25,973,948</b>
<b>Changes in Fiduciary Net Position</b>			
Fiduciary Net Position - beginning of year	12,912,277	14,530,746	15,273,164
Employer contributions	1,781,612	1,716,341	1,732,389
Net investment income	849,702	152,431	1,029,641
Benefit payments	(920,393)	(914,999)	(1,095,712)
Administrative expense	(41,842)	(44,145)	(44,504)
Other	(50,610)	(167,210)	(68,060)
<b>Fiduciary Net Position - end of year</b>	<b>14,530,746</b>	<b>15,273,164</b>	<b>16,826,918</b>
<b>Net Pension Liability</b>	<b>\$ 7,662,677</b>	<b>\$ 9,145,627</b>	<b>\$ 9,147,030</b>
Plan Fiduciary Net Position as a % of Total Pension Liability	65.47%	62.55%	64.78%
Covered payroll	\$ 8,409,345	\$ 8,439,900	\$ 7,986,368
Net Pension Liability as % of Covered Payroll	91.12%	108.36%	114.53%

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

**Schedule of County Pension Contributions**

	<b>Contributions in Relation to</b>			<b>Contributions as Percentage of</b>	
	<b>Actuarially Determined Contribution</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Covered Employee Payroll</b>
2017	\$ 1,675,242	\$ 1,732,389	\$ (57,147)	\$ 7,986,368	21.69%
2016	1,623,896	1,716,341	(92,445)	8,439,900	20.34%
2015	1,754,892	1,781,612	(26,720)	8,409,345	21.19%

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, 2017**

**OTHER POSTEMPLOYMENT BENEFITS**

Schedule of Funding Progress

Actuarial Valuation Date	(a)	(b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c)	UAAL as a percentage of covered payroll (b - a) / c
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit			Covered Payroll	
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
6/30/17	\$ 319,171	\$ 156,808	49.1%
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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 20,933,287	\$ 21,989,787	\$ 21,868,005	\$ (121,782)
Licenses and permits	584,505	775,655	780,751	5,096
Intergovernmental revenue	67,374	3,003,948	3,019,859	15,911
Charges for services	2,423,750	2,598,130	2,594,752	(3,378)
Fines and forfeitures	296,300	436,800	434,606	(2,194)
Investment income	15,000	15,000	33,449	18,449
Contributions and donations	-	4,490	6,596	2,106
Miscellaneous	70,000	121,780	137,640	15,860
<b>Total revenues</b>	<u>24,390,216</u>	<u>28,945,590</u>	<u>28,875,658</u>	<u>(69,932)</u>
<b>EXPENDITURES</b>				
<b>Department level:</b>				
Commission	461,624	604,574	578,614	25,960
Administration	435,467	460,417	453,134	7,283
Human resources	474,867	506,367	504,582	1,785
Finance	668,387	668,387	558,188	110,199
Law enforcement	3,684,757	3,684,757	3,507,821	176,936
Jail	2,527,506	2,763,356	2,646,735	116,621
Tax commissioner	456,736	479,836	475,022	4,814
Probate court	476,212	485,212	475,280	9,932
Clerk of courts	788,457	813,057	791,752	21,305
Juvenile court	93,651	93,651	81,116	12,535
Superior court	441,586	441,586	381,463	60,123
District attorney	28,500	30,500	29,246	1,254
Magistrate court	80,350	87,450	84,168	3,282
Coroner	29,534	71,934	35,613	36,321
Tax assessor	624,249	633,599	633,495	104
Board of elections	231,076	262,326	255,914	6,412
Public works	2,364,452	6,404,602	6,232,504	172,098
Parks and recreation	2,664,728	2,767,118	2,678,620	88,498
Operations	1,730,786	1,765,136	1,595,156	169,980
Public safety	1,269,809	1,235,509	1,165,253	70,256
Planning	-	-	-	-
Code enforcement	881,764	881,764	799,335	82,429
Information technology	621,855	675,205	656,596	18,609
Community development	1,047,116	1,047,116	1,009,564	37,552
Joint governmental programs	957,942	968,767	949,504	19,263
<b>Total expenditures</b>	<u>23,041,411</u>	<u>27,832,226</u>	<u>26,578,675</u>	<u>1,253,551</u>
Excess of revenues over expenditures	1,348,805	1,113,364	2,296,983	1,183,619
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of capital asset dispositions	-	-	46,835	46,835
Transfers in	32,500	32,500	32,500	-
Transfers (out)	(2,043,305)	(2,235,855)	(2,136,318)	99,537
<b>Total other financing sources (uses)</b>	<u>(2,010,805)</u>	<u>(2,203,355)</u>	<u>(2,056,983)</u>	<u>146,372</u>
<b>Net change in fund balances</b>	(662,000)	(1,089,991)	240,000	1,329,991
<b>Fund balance - beginning</b>	10,821,520	10,821,520	10,821,520	-
<b>Fund balances - ending</b>	<u>\$ 10,159,520</u>	<u>\$ 9,731,529</u>	<u>\$ 11,061,520</u>	<u>\$ 1,329,991</u>

**Oconee County, Georgia**  
**Reconciliation of Budget Expenditures by Department to**  
**GAAP Basis Budget - General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 461,624	\$ 604,574	\$ 578,614	\$ 25,960
Administration	435,467	460,417	453,134	7,283
Human resources	474,867	506,367	504,582	1,785
Finance	668,387	668,387	558,188	110,199
Board of elections	231,076	262,326	255,914	6,412
Information technology	621,855	675,205	656,596	18,609
Tax commissioner	456,736	479,836	475,022	4,814
Tax assessor	624,249	633,599	633,495	104
Operations	1,239,737	1,239,737	1,076,842	162,895
Superior court - Board of equalization	5,500	5,500	3,521	1,979
Judicial:				
Superior court	436,086	436,086	377,942	58,144
Clerk of courts	788,457	813,057	791,752	21,305
District attorney	28,500	30,500	29,246	1,254
Magistrate court	80,350	87,450	84,168	3,282
Probate court	476,212	485,212	475,280	9,932
Juvenile court	93,651	93,651	81,116	12,535
Public safety:				
Law enforcement	3,684,757	3,684,757	3,507,821	176,936
Jail	2,527,506	2,763,356	2,646,735	116,621
Public safety	1,269,809	1,235,509	1,165,253	70,256
Coroner	29,534	71,934	35,613	36,321
Public works:				
Public works	2,364,452	6,404,602	6,232,504	172,098
County facilities	491,049	525,399	518,314	7,085
Health and welfare:				
Joint gov't programs-health and welfare	287,333	288,408	287,883	525
Culture and recreation:				
Parks and recreation	2,664,728	2,767,118	2,678,620	88,498
Joint gov't program-library	490,548	500,298	498,429	1,869
Housing and development:				
Community development	228,111	228,111	191,698	36,413
Joint gov't program-development	180,061	180,061	163,192	16,869
Code enforcement	881,764	881,764	799,335	82,429
Total current expenditures	<u>22,222,406</u>	<u>27,013,221</u>	<u>25,760,809</u>	<u>1,252,412</u>
Debt service:				
Principal payments:				
Community development	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Total principal payments	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Interest payments:				
Community development	<u>394,005</u>	<u>394,005</u>	<u>392,866</u>	<u>1,139</u>
Total interest payments	<u>394,005</u>	<u>394,005</u>	<u>392,866</u>	<u>1,139</u>
Total debt service	<u>819,005</u>	<u>819,005</u>	<u>817,866</u>	<u>1,139</u>
Total expenditures by department	<u>\$ 23,041,411</u>	<u>\$ 27,832,226</u>	<u>\$ 26,578,675</u>	<u>\$ 1,253,551</u>

**Oconee County, Georgia**  
**Notes to Required Supplementary Information**  
**June 30, 2017**

**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 normal
Asset valuation method	5-year smoothed market
Amortization method	Level percentage compensation
Future payroll growth	5.50%
Investment rate of return	7.25%

**NOTE C: CHANGES IN ASSUMPTIONS**

The investment return was changed from 7.50% to 7.25% as of December 31, 2016. The 2016 plan year activity, which occurred during the fiscal year ended June 30, 2017 was calculated using the 7.50% rate. 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. The mortality table was changed during 2015 to the RP-2000 combined table with Scale AA. 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 has presented the historical information about the actuarially determined contribution that it has so far. As additional information becomes available, the County will report it.

**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, 2017**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 852,498	\$ 3,917,032	\$ 4,769,530
Investments, plus accrued interest	682,748	3,197,927	3,880,675
Accounts receivable, net	129,622	310,732	440,354
Taxes receivable, net	707	-	707
Internal balances	307,343	26,453	333,796
Due from other governments	171,200	-	171,200
Prepaid items	8,504	-	8,504
<b>Total assets</b>	<b>\$ 2,152,622</b>	<b>\$ 7,452,144</b>	<b>\$ 9,604,766</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 144,238	\$ 77,348	\$ 221,586
Retainage payable	-	337,436	337,436
Internal balances	121,787	1,500	123,287
Salaries and benefits payable	38,608	-	38,608
<b>Total liabilities</b>	<b>304,633</b>	<b>416,284</b>	<b>720,917</b>
Deferred inflows of resources:			
Unavailable property taxes	700	-	700
<b>Total deferred inflows</b>	<b>700</b>	<b>-</b>	<b>700</b>
Fund balances:			
Nonspendable	8,504	-	8,504
Restricted			
Capital projects	164,484	7,035,860	7,200,344
Judicial	292,974	-	292,974
Public safety	225,159	-	225,159
Public works	1,000	-	1,000
Culture and recreation	54,617	-	54,617
Housing and development	139,487	-	139,487
Assigned			
Health and welfare	169,526	-	169,526
Housing and development	797,392	-	797,392
Unassigned	(5,854)	-	(5,854)
<b>Total fund balances</b>	<b>1,847,289</b>	<b>7,035,860</b>	<b>8,883,149</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,152,622</b>	<b>\$ 7,452,144</b>	<b>\$ 9,604,766</b>

Oconee County, Georgia  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2017

	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
<b>ASSETS</b>												
Cash	\$ 215,121	\$ 122,977	\$ 22,172	\$ 77,587	\$ 210,892	\$ 87,557	\$ -	\$ -	\$ 6	\$ -	\$ 116,186	\$ 852,498
Investments, plus accrued interest	-	-	-	-	-	-	-	-	-	-	682,748	682,748
Accounts receivable, net	13,372	-	-	-	1,046	-	99,242	-	-	15,962	-	129,622
Taxes receivable, net	-	-	-	-	-	-	-	-	707	-	-	707
Internal balances	-	-	47	-	8,918	-	-	-	18,560	279,818	-	307,343
Due from other governments	-	-	-	131	7,500	151,819	-	11,750	-	-	-	171,200
Prepaid items	2,648	-	-	-	-	-	5,390	-	-	466	-	8,504
<b>Total assets</b>	<b>\$ 231,141</b>	<b>\$ 122,977</b>	<b>\$ 22,219</b>	<b>\$ 77,718</b>	<b>\$ 228,356</b>	<b>\$ 239,376</b>	<b>\$ 104,632</b>	<b>\$ 11,750</b>	<b>\$ 19,273</b>	<b>\$ 296,246</b>	<b>\$ 798,934</b>	<b>\$ 2,152,622</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>												
<b>Liabilities:</b>												
Accounts payable	\$ 3,344	\$ -	\$ -	\$ -	\$ 4,326	\$ 95,903	\$ 16,603	\$ 3,917	\$ 18,573	\$ 30	\$ 1,542	\$ 144,238
Internal balances	46,932	765	-	-	6,085	-	60,172	7,833	-	-	-	121,787
Salaries and benefits payable	8,691	-	-	-	-	-	27,857	-	-	2,060	-	38,608
<b>Total liabilities</b>	<b>58,967</b>	<b>765</b>	<b>-</b>	<b>-</b>	<b>10,411</b>	<b>95,903</b>	<b>104,632</b>	<b>11,750</b>	<b>18,573</b>	<b>2,090</b>	<b>1,542</b>	<b>304,633</b>
Deferred inflows of resources:												
Unavailable property taxes	-	-	-	-	-	-	-	-	700	-	-	700
<b>Total deferred inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>700</b>
<b>Fund balances:</b>												
Nonspendable	2,648	-	-	-	-	-	5,390	-	-	466	-	8,504
Restricted	-	-	-	-	-	-	-	-	-	164,484	-	164,484
Capital Projects	-	-	-	-	27,289	143,473	-	-	-	-	-	292,974
Judicial	-	122,212	-	-	125,222	-	-	-	-	-	-	225,159
Public safety	-	-	22,219	77,718	1,000	-	-	-	-	-	-	1,000
Public works	-	-	-	-	54,617	-	-	-	-	-	-	54,617
Culture and recreation	-	-	-	-	9,817	-	-	-	-	129,670	-	139,487
Housing and development	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	169,526	-	-	-	-	-	-	-	-	-	-	169,526
Housing and development	-	-	-	-	-	-	-	-	-	-	797,392	797,392
Unassigned	-	-	-	-	-	-	(5,390)	-	-	(464)	-	(5,854)
<b>Total fund balances</b>	<b>172,174</b>	<b>122,212</b>	<b>22,219</b>	<b>77,718</b>	<b>217,945</b>	<b>143,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294,156</b>	<b>797,392</b>	<b>1,847,289</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 231,141</b>	<b>\$ 122,977</b>	<b>\$ 22,219</b>	<b>\$ 77,718</b>	<b>\$ 228,356</b>	<b>\$ 239,376</b>	<b>\$ 104,632</b>	<b>\$ 11,750</b>	<b>\$ 19,273</b>	<b>\$ 296,246</b>	<b>\$ 798,934</b>	<b>\$ 2,152,622</b>

**Oconee County, Georgia**  
**Nonmajor Governmental Funds - Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>SPLOST 2004 Fund</b>	<b>SPLOST 2009 Fund</b>	<b>Local Resources Capital Projects Fund</b>	<b>Industrial Development Authority Parkway Blvd Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>					
Cash	\$ 213,786	\$ 3,130,463	\$ -	572,783	\$ 3,917,032
Investments	3,197,927	-	-	-	3,197,927
Accounts receivable, net			-	310,732	310,732
Internal balances			26,453	-	26,453
<b>Total assets</b>	<b>\$ 3,411,713</b>	<b>\$ 3,130,463</b>	<b>\$ 26,453</b>	<b>\$ 883,515</b>	<b>\$ 7,452,144</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 10,357	\$ 2,099	\$ 26,453	38,439	\$ 77,348
Retainage payable	-	-	-	337,436	337,436
Internal balances	-	1,500	-	-	1,500
<b>Total liabilities</b>	<b>10,357</b>	<b>3,599</b>	<b>26,453</b>	<b>375,875</b>	<b>416,284</b>
Fund balances:					
Restricted					
Capital projects	3,401,356	3,126,864	-	507,640	7,035,860
<b>Total fund balances</b>	<b>3,401,356</b>	<b>3,126,864</b>	<b>-</b>	<b>507,640</b>	<b>7,035,860</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,411,713</b>	<b>\$ 3,130,463</b>	<b>\$ 26,453</b>	<b>\$ 883,515</b>	<b>\$ 7,452,144</b>



**Oconee County, Georgia**  
**All Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 163,081	\$ -	\$ 163,081
Intergovernmental revenue	552,450	-	552,450
Charges for services	1,092,475	-	1,092,475
Fines and forfeitures	77,538	-	77,538
Investment income	2,348	22,001	24,349
Contributions and donations	127,071	6,000	133,071
Miscellaneous	21,530	-	21,530
<b>Total revenues</b>	<b>2,036,493</b>	<b>28,001</b>	<b>2,064,494</b>
<b>EXPENDITURES</b>			
Current:			
General government	3,368	-	3,368
Judicial	438,846	-	438,846
Public safety	1,690,952	-	1,690,952
Public works	227,397	-	227,397
Health and welfare	496,979	-	496,979
Culture and recreation	74,277	-	74,277
Housing and development	176,660	-	176,660
Debt service:			
Principal payments	8,206	-	8,206
Interest and fiscal charges	1,623	-	1,623
Capital outlay			
General government	-	314,340	314,340
Public safety	-	47,228	47,228
Public works	-	209,521	209,521
Culture and recreation	-	156,531	156,531
Housing and development	-	3,705,937	3,705,937
<b>Total expenditures</b>	<b>3,118,308</b>	<b>4,433,557</b>	<b>7,551,865</b>
Deficiency of revenues under expenditures	(1,081,815)	(4,405,556)	(5,487,371)
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers in	1,356,974	240,974	1,597,948
Transfers (out)	(47,000)	(285,562)	(332,562)
<b>Total other financing sources (uses)</b>	<b>1,309,974</b>	<b>(44,588)</b>	<b>1,265,386</b>
<b>Change in fund balances</b>	<b>228,159</b>	<b>(4,450,144)</b>	<b>(4,221,985)</b>
<b>Fund balances - beginning</b>	<b>1,619,130</b>	<b>11,486,004</b>	<b>13,105,134</b>
<b>Fund balances - ending</b>	<b>\$ 1,847,289</b>	<b>\$ 7,035,860</b>	<b>\$ 8,883,149</b>

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, 2017

	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
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,081	\$ -	\$ 163,081
Intergovernmental revenue	115,328	-	-	-	7,500	363,934	-	65,688	-	-	-	552,450
Charges for services	-	-	-	-	29,716	-	738,067	-	201,102	-	123,590	1,092,475
Fines and forfeitures	-	22,576	11,263	16,881	-	26,818	-	-	-	-	-	77,538
Investment income	48	110	3	-	145	-	-	-	-	-	2,042	2,348
Contributions and donations	-	-	-	-	127,071	-	-	-	-	-	-	127,071
Miscellaneous	20,811	-	-	-	-	-	719	-	-	-	-	21,530
<b>Total revenues</b>	<u>136,187</u>	<u>22,686</u>	<u>11,266</u>	<u>16,881</u>	<u>164,432</u>	<u>390,752</u>	<u>738,786</u>	<u>65,688</u>	<u>201,102</u>	<u>163,081</u>	<u>125,632</u>	<u>2,036,493</u>
<b>EXPENDITURES</b>												
Current:												
General government	-	-	-	-	3,368	-	-	-	-	-	-	3,368
Judicial	-	1,745	-	-	1,251	435,850	-	-	-	-	-	438,846
Public safety	-	-	8,156	-	80,053	-	1,584,055	18,688	-	-	-	1,690,932
Public works	-	-	-	-	-	-	-	-	227,397	-	-	227,397
Health and welfare	449,979	-	-	-	-	-	-	47,000	-	-	-	496,979
Culture and recreation	-	-	-	-	74,277	-	-	-	-	-	-	74,277
Housing and development	-	-	-	-	-	-	-	-	-	163,311	13,349	176,660
Debt service:												
Principal payments	-	-	-	-	-	-	8,206	-	-	-	-	8,206
Interest and fiscal changes	-	-	-	-	-	-	1,623	-	-	-	-	1,623
<b>Total expenditures</b>	<u>449,979</u>	<u>1,745</u>	<u>8,156</u>	<u>16,881</u>	<u>158,949</u>	<u>435,850</u>	<u>1,593,884</u>	<u>65,688</u>	<u>227,397</u>	<u>163,311</u>	<u>13,349</u>	<u>3,118,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(313,792)</u>	<u>20,941</u>	<u>3,110</u>	<u>16,881</u>	<u>5,483</u>	<u>(45,098)</u>	<u>(855,098)</u>	<u>-</u>	<u>(26,295)</u>	<u>(230)</u>	<u>112,283</u>	<u>(1,081,815)</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	314,703	-	-	-	7,800	141,000	855,098	-	26,295	12,078	-	1,356,974
Transfers (out)	-	-	-	(8,000)	(23,000)	-	-	-	-	-	(16,000)	(47,000)
<b>Total other financing sources (uses)</b>	<u>314,703</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(15,200)</u>	<u>141,000</u>	<u>855,098</u>	<u>-</u>	<u>26,295</u>	<u>12,078</u>	<u>(16,000)</u>	<u>1,309,974</u>
<b>Net change in fund balances</b>	<u>911</u>	<u>20,941</u>	<u>3,110</u>	<u>8,881</u>	<u>(9,717)</u>	<u>95,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,848</u>	<u>96,283</u>	<u>228,159</u>
<b>Fund balances - beginning</b>	<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>
<b>Fund balances - ending</b>	<u>\$ 172,174</u>	<u>\$ 122,212</u>	<u>\$ 22,219</u>	<u>\$ 77,718</u>	<u>\$ 217,945</u>	<u>\$ 143,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,156</u>	<u>\$ 797,392</u>	<u>\$ 1,847,289</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, 2017**

	<b>SPLOST 2004 Fund</b>	<b>SPLOST 2009 Fund</b>	<b>Local Resources Capital Projects Fund</b>	<b>Industrial Development Authority Parkway Blvd Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>					
Investment income	\$ 20,290	\$ 1,711	\$ -	\$ -	\$ 22,001
Contributions and donations	-	-	6,000	-	6,000
<b>Total revenues</b>	<u>20,290</u>	<u>1,711</u>	<u>6,000</u>	<u>-</u>	<u>28,001</u>
<b>EXPENDITURES</b>					
Capital outlay					
General government	314,340	-	-	-	314,340
Public safety	-	9,775	37,453	-	47,228
Public works	-	-	209,521	-	209,521
Culture and recreation	-	156,531	-	-	156,531
Housing and development	-	93,750	-	3,612,187	3,705,937
<b>Total expenditures</b>	<u>314,340</u>	<u>260,056</u>	<u>246,974</u>	<u>3,612,187</u>	<u>4,433,557</u>
Deficiency of revenues under expenditures	<u>(294,050)</u>	<u>(258,345)</u>	<u>(240,974)</u>	<u>(3,612,187)</u>	<u>(4,405,556)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	240,974	-	240,974
Transfers (out)	-	(285,562)	-	-	(285,562)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(285,562)</u>	<u>240,974</u>	<u>-</u>	<u>(44,588)</u>
<b>Net change in fund balances</b>	(294,050)	(543,907)	-	(3,612,187)	(4,450,144)
<b>Fund balances - beginning</b>	<u>3,695,406</u>	<u>3,670,771</u>	<u>-</u>	<u>4,119,827</u>	<u>11,486,004</u>
<b>Fund balances - ending</b>	<u>\$ 3,401,356</u>	<u>\$ 3,126,864</u>	<u>\$ -</u>	<u>\$ 507,640</u>	<u>\$ 7,035,860</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, 2017**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 819	\$ -	\$ 819
Accounts receivable, net	3,540	1,943	5,483
Internal balances	145,019	578,392	723,411
Due from other governments	-	552	552
Prepaid items	1,283	2,069	3,352
<b>Total current assets</b>	<b>150,661</b>	<b>582,956</b>	<b>733,617</b>
Noncurrent assets:			
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	41,198	1,498,140	1,539,338
<b>Total capital assets</b>	<b>166,198</b>	<b>1,523,140</b>	<b>1,689,338</b>
<b>Total assets</b>	<b>316,859</b>	<b>2,106,096</b>	<b>2,422,955</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pensions	6,344	32,228	38,572
<b>Total assets and deferred outflows</b>	<b>323,203</b>	<b>2,138,324</b>	<b>2,461,527</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	30,543	19,137	49,680
Salaries and benefits payable	5,942	11,837	17,779
<b>Total current liabilities</b>	<b>36,485</b>	<b>30,974</b>	<b>67,459</b>
Noncurrent liabilities:			
Compensated absences	7,999	21,535	29,534
Net pension liability	83,404	253,967	337,371
<b>Total noncurrent liabilities</b>	<b>91,403</b>	<b>275,502</b>	<b>366,905</b>
<b>Total liabilities</b>	<b>127,888</b>	<b>306,476</b>	<b>434,364</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions	1,782	8,775	10,557
<b>Total liabilities and deferred inflows</b>	<b>129,670</b>	<b>315,251</b>	<b>444,921</b>
<b>NET POSITION</b>			
Net investment in capital assets	166,198	1,523,140	1,689,338
Unrestricted	27,335	299,933	327,268
<b>Total net position</b>	<b>\$ 193,533</b>	<b>\$ 1,823,073</b>	<b>\$ 2,016,606</b>

**Oconee County, Georgia**  
**Nonmajor Proprietary Funds**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 191,053	\$ 73,332	\$ 264,385
Licenses and permits	7,000	-	7,000
Rents and royalties	-	127,395	127,395
Miscellaneous	7,587	-	7,587
<b>Total operating revenues</b>	<b>205,640</b>	<b>200,727</b>	<b>406,367</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	169,059	281,803	450,862
Other contracted services	261,606	6,036	267,642
Supplies and materials	12,040	25,557	37,597
Repairs and maintenance	7,305	30,125	37,430
Utilities	10,332	53,517	63,849
Insurance	7,694	3,078	10,772
Depreciation and amortization	4,098	68,665	72,763
Other charges	14,219	18,275	32,494
<b>Total operating expenses</b>	<b>486,353</b>	<b>487,056</b>	<b>973,409</b>
<b>Operating loss</b>	<b>(280,713)</b>	<b>(286,329)</b>	<b>(567,042)</b>
<b>Loss before contributions and transfers</b>	<b>(280,713)</b>	<b>(286,329)</b>	<b>(567,042)</b>
Transfers in	280,347	284,523	564,870
<b>Change in net position</b>	<b>(366)</b>	<b>(1,806)</b>	<b>(2,172)</b>
<b>Total net assets - beginning</b>	<b>193,899</b>	<b>1,824,879</b>	<b>2,018,778</b>
<b>Total net position - ending</b>	<b>\$ 193,533</b>	<b>\$ 1,823,073</b>	<b>\$ 2,016,606</b>

**Oconee County, Georgia**  
**Nonmajor Proprietary Funds**  
**Combining Schedule of Cash Flows**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 203,887	\$ 201,260	\$ 405,147
Payments to suppliers	(320,453)	(126,885)	(447,338)
Payments to employees	(167,368)	(272,808)	(440,176)
Net cash (used) by operating activities	<u>(283,934)</u>	<u>(198,433)</u>	<u>(482,367)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	284,215	210,018	494,233
Net cash provided by noncapital financing activities	<u>284,215</u>	<u>210,018</u>	<u>494,233</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(23,585)	(23,585)
Transfers in used for construction of capital assets	-	12,000	12,000
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(11,585)</u>	<u>(11,585)</u>
Net change in cash and cash equivalents	281	-	281
Cash - beginning of the year	538	-	538
Cash - end of the year	<u>\$ 819</u>	<u>\$ -</u>	<u>\$ 819</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (280,713)	\$ (286,329)	\$ (567,042)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	4,098	68,665	72,763
Change in assets and liabilities:			
Receivables, net	(1,753)	1,085	(668)
Prepaid items	69	54	123
Due from other governments	-	(552)	(552)
Accounts payable	(7,326)	9,649	2,323
Accrued expenses	1,058	2,252	3,310
Compensated absences	267	4,938	5,205
Net change in pension deferrals	362	1,784	2,146
Net pension liability	4	21	25
Net cash (used) by operating activities	<u>\$ (283,934)</u>	<u>\$ (198,433)</u>	<u>\$ (482,367)</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, 2017**

	<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>
<b>ASSETS</b>							
Cash	\$ 15,156	\$ 16,056	\$ 933,401	\$ 40,659	\$ 83,019	\$ 408	\$ 1,088,699
<b>Total Assets</b>	<u>\$ 15,156</u>	<u>\$ 16,056</u>	<u>\$ 933,401</u>	<u>\$ 40,659</u>	<u>\$ 83,019</u>	<u>\$ 408</u>	<u>\$ 1,088,699</u>
<b>LIABILITIES</b>							
Due to others	\$ 15,156	\$ 16,056	\$ 933,401	\$ 40,659	\$ 83,019	\$ 408	\$ 1,088,699
<b>Total Liabilities</b>	<u>\$ 15,156</u>	<u>\$ 16,056</u>	<u>\$ 933,401</u>	<u>\$ 40,659</u>	<u>\$ 83,019</u>	<u>\$ 408</u>	<u>\$ 1,088,699</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2017</u>
<b>TAX COMMISSIONER</b>				
Assets				
Cash	\$ 33,945	\$ 50,339,230	\$ 50,358,019	\$ 15,156
	<u>33,945</u>	<u>50,339,230</u>	<u>50,358,019</u>	<u>15,156</u>
Liabilities				
Due to others	33,945	50,339,230	50,358,019	15,156
	<u>33,945</u>	<u>50,339,230</u>	<u>50,358,019</u>	<u>15,156</u>
<b>SHERIFF</b>				
Assets				
Cash	15,909	55,563	55,416	16,056
	<u>15,909</u>	<u>55,563</u>	<u>55,416</u>	<u>16,056</u>
Liabilities				
Due to others	15,909	55,563	55,416	16,056
	<u>15,909</u>	<u>55,563</u>	<u>55,416</u>	<u>16,056</u>
<b>SUPERIOR COURT</b>				
Assets				
Cash	344,585	2,778,875	2,190,059	933,401
	<u>344,585</u>	<u>2,778,875</u>	<u>2,190,059</u>	<u>933,401</u>
Liabilities				
Due to others	344,585	2,778,875	2,190,059	933,401
	<u>\$ 344,585</u>	<u>\$ 2,778,875</u>	<u>\$ 2,190,059</u>	<u>\$ 933,401</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2017</u>
<b>PROBATE COURT</b>				
Assets				
Cash	\$ 72,143	\$ 1,261,319	\$ 1,292,803	\$ 40,659
	<u>72,143</u>	<u>1,261,319</u>	<u>1,292,803</u>	<u>40,659</u>
Liabilities				
Due to others	72,143	1,261,319	1,292,803	40,659
	<u>72,143</u>	<u>1,261,319</u>	<u>1,292,803</u>	<u>40,659</u>
<b>MAGISTRATE COURT</b>				
Assets				
Cash	79,922	189,010	185,913	83,019
	<u>79,922</u>	<u>189,010</u>	<u>185,913</u>	<u>83,019</u>
Liabilities				
Due to others	79,922	189,010	185,913	83,019
	<u>79,922</u>	<u>189,010</u>	<u>185,913</u>	<u>83,019</u>
<b>JUVENILE COURT</b>				
Assets				
Cash	408	17,254	17,254	408
	<u>408</u>	<u>17,254</u>	<u>17,254</u>	<u>408</u>
Liabilities				
Due to others	408	17,254	17,254	408
	<u>408</u>	<u>17,254</u>	<u>17,254</u>	<u>408</u>
<b>TOTALS</b>				
Assets				
Cash	546,912	54,641,251	54,099,464	1,088,699
	<u>546,912</u>	<u>54,641,251</u>	<u>54,099,464</u>	<u>1,088,699</u>
Liabilities				
Due to others	546,912	54,641,251	54,099,464	1,088,699
	<u>\$ 546,912</u>	<u>\$ 54,641,251</u>	<u>\$ 54,099,464</u>	<u>\$ 1,088,699</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, 2017, 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 December 29, 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 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. Accordingly, we do not express an opinion on the effectiveness of Oconee County, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 December 29, 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.

*Treadwell Tamplin + Co.*

*Madison, Georgia*  
December 29, 2017

Oconee County, Georgia  
Schedule of Special Purpose Local Option Sales Tax  
For the Fiscal Year Ended June 30, 2017

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
<b>2004 Referendum***</b>						
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	1,066,748	314,340	1,381,088	30.02%
<b>Totals</b>	<b>\$ 25,000,000</b>	<b>\$ 26,379,005</b>	<b>\$ 22,845,753</b>	<b>\$ 314,340</b>	<b>\$ 23,160,093</b>	
<b>2009 Referendum***</b>						
Recreation facilities	\$ 4,847,985	\$ 4,053,402	\$ 4,053,402	\$ -	\$ 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	2,490,473	285,562	2,776,035	65.90%
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	547,925	156,531	704,456	75.84%
Fire Station Facilities and Equipment	3,939,014	3,293,400	1,990,483	9,775	2,000,258	60.74%
Communication Facilities	3,232,001	3,454,937	3,454,937	-	3,454,937	100.00%
Farmland Protection	504,984	422,216	198,500	93,750	292,250	69.22%
Payment to Cities						
City of Watkinsville	3,227,960	2,698,890	2,698,891	-	2,698,891	100.00%
Town of Bogart	1,616,000	1,351,134	1,351,134	-	1,351,134	100.00%
Town of North High Shoals	674,680	564,098	564,099	-	564,099	100.00%
Town of Bishop	222,200	185,781	185,781	-	185,781	100.00%
<b>Totals</b>	<b>\$ 40,400,000</b>	<b>\$ 33,778,345</b>	<b>\$ 30,148,851</b>	<b>\$ 545,618</b>	<b>\$ 30,694,469</b>	

**Oconee County, Georgia**  
**Schedule of Special Purpose Local Option Sales Tax**  
**For the Fiscal Year Ended June 30, 2017**

**2015 Referendum\*\*\***

Recreation facilities	\$ 5,592,000	\$ 5,592,000	\$ 380,470	771,235	\$ 1,151,705	20.60%
Water & Sewer facilities	12,100,000	12,100,000	-	-	-	0.00%
Roads, Streets & Bridges	12,000,000	12,000,000	454,204	1,786,151	2,240,355	18.67%
Farmland Protection	500,000	500,000	-	-	-	0.00%
Fire Station and Rescue Facilities and equipment	3,019,500	3,019,500	-	185,020	185,020	6.13%
Civic Center Facilities	1,500,000	1,500,000	-	12,000	12,000	0.80%
Historic and Scenic Facilities	250,000	250,000	-	-	-	0.00%
Library Facilities	2,000,000	2,000,000	-	265,178	265,178	13.26%
General County Facilities	2,000,000	2,000,000	51,947	207,096	259,043	12.95%
Animal Control Facilities	750,000	750,000	-	10,000	10,000	1.33%
Economic Development Facilities	850,000	850,000	-	-	-	0.00%
Recreational and Park Facilities	3,158,000	3,158,000	48,118	73,829	121,947	3.86%
Law Enforcement Facilities and equipment	3,100,000	3,100,000	983,637	356,666	1,340,303	43.24%
Technology Facilities	475,000	475,000	-	154,578	154,578	32.54%
Payment to Cities						
City of Watkinsville	4,746,500	4,746,500	441,067	582,355	1,023,422	21.56%
Town of Bogart	1,496,000	1,496,000	139,015	183,546	322,561	21.56%
Town of North High Shoals	1,089,000	1,089,000	101,195	133,611	234,806	21.56%
Town of Bishop	374,000	374,000	34,754	45,887	80,641	21.56%
	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>	
<b>Totals</b>	<u>\$ 55,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ 2,634,407</u>	4,767,152	<u>\$ 7,401,559</u>	
Principal payment on law enforcement equipment purchased using capital lease				<u>228,319</u>		
Total expenditures and transfers reported in the SPLOST 2015 fund				<u>\$ 4,995,471</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, 2017**

<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	93-171700111	\$ 35,250	\$ 47,000	\$ 11,750

Oconee County Board of Commissioners

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2017

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		Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)
	46-5-134(e)	
		UMB Wholesale Bank (Sprint/Nextel) <span style="float: right;">\$ 1,908.30</span>
		AT&T Mobility <span style="float: right;">\$ 19,603.32</span>
		<hr/> <span style="float: right;">\$</span>
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 <span style="float: right;">\$</span>
3b	46-5-134(f)(1)(A)	Purchase costs <span style="float: right;">\$</span>
3c	46-5-134(f)(1)(A)	Maintenance costs <span style="float: right;">\$</span>
4		Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges
	46-5-134(f)(1)(B)	<span style="float: right;">\$ 201,619.70</span>
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 <span style="float: right;">\$ 687,750.87</span>
5b	46-5-134(f)(1)(C)	Employee benefits <span style="float: right;">\$ 272,166.35</span>
6	46-5-134(f)(1)(D)	Cost of training of employees who work as dispatchers or directors <span style="float: right;">\$ 5,102.74</span>
7		Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services
	46-5-134(f)(1)(E)	<span style="float: right;">\$ 7,447.72</span>
8		Building used as a public safety answering point:
8a	46-5-134(f)(1)(F)	Lease costs <span style="float: right;">\$ -</span>
8b	46-5-134(f)(1)(F)	Purchase costs <span style="float: right;">\$ -</span>
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 <span style="float: right;">\$ -</span>
9b	46-5-134(f)(1)(G)	Purchase costs <span style="float: right;">\$ -</span>
9c	46-5-134(f)(1)(G)	Maintenance costs <span style="float: right;">\$ -</span>

Oconee County Board of Commissioners

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2017

Line No.		O.C.G.A. Reference:	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$ <u>          -</u>
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$ <u>          -</u>
11b	Purchase costs	46-5-134(f)(1)(I)	\$ <u>          -</u>
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ <u>          -</u>
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)	\$ <u>          -</u>
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)	\$ <u>          -</u>
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ <u>          -</u>
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ <u>          -</u>
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)	\$ <u>      113,046.40</u>
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)	\$ <u>      12,475.08</u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ <u>          -</u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ <u>      272,762.82</u>
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)	\$ <u>          -</u>
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ <u>          -</u>
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ <u>          -</u>

Oconee County Board of Commissioners

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2017

Line  
No.

O.C.G.A.  
Reference:

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) \$ 1,593,883.30

**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 *John Daniell* Date 12.20.17

Print Name of Chief Elected Official John Daniell

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

Signature of Chief Financial Officer *Wesley L. Geddings* Date 12.20.17

Print Name of Chief Financial Officer Wesley L. Geddings