

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended**  
**June 30, 2018**



**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**TABLE OF CONTENTS**

	<b>Exhibit</b>	<b>Page</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	10-11
Statement of Fiduciary Assets and Liabilities	8	12
Notes to the Financial Statements		13-44
	<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	45
Other Postemployment Benefits - Schedule of Changes in Total OPEB Liability and Related Ratios	2	46
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (by Department) and Actual - General Fund	3	47
Reconciliation of Budget Expenditures by Department to GAAP Basis Budget - General Fund	3.1	48
Notes to Required Supplementary Information		49-50

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**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	51
Nonmajor Governmental Funds - Special Revenue Funds - Combining Balance Sheet	5	52
Nonmajor Governmental Funds - Capital Projects Funds Combining Balance Sheet	6	53
All Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	7	54
Nonmajor Governmental Funds - Special Revenue Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	8	55
Nonmajor Governmental Funds - Capital Projects Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	9	56
<b>Nonmajor Proprietary Funds:</b>		
Nonmajor Proprietary Funds - Combining Schedule of Net Position	10	57
Nonmajor Proprietary Funds - Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	11	58
Nonmajor Proprietary Funds - Combining Schedule of Cash Flows	12	59
<b>Fiduciary Funds:</b>		
Combining Schedule of Fiduciary Assets and Liabilities	13	60
Combining Schedule of Changes in Fiduciary Assets and Liabilities	14	61-62
<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>		63-64
Schedule of Findings and Responses		65
Schedule of Special Purpose Local Option Sales Tax	15	66-67
Schedule of State Contractual Assistance	16	68
Certification of 9-1-1 Expenditures		69-71

# 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, 2018, 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, 2018, 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 Schedule of Changes in Total OPEB Liability and Related Ratios, 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 45-50 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 schedules, 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, based on our audit, the combining and individual nonmajor fund financial schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, and the Schedule of State Contractual Assistance 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 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oconee County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, Georgia's internal control over financial reporting and compliance.

*Treadwell Tamplin + Co.*

*Madison, Georgia*  
December 28, 2018



**MANAGEMENT DISCUSSION AND ANALYSIS**

**OCONEE COUNTY, GEORGIA  
YEAR ENDED JUNE 30, 2018**

**OCONEE COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2018**

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**

Management's discussion and analysis' intention is 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, 2018. 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 8-11)

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 reflect in this section as an 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, investments, long-term debt and the pension plan are some of the items included in the Notes.

## **Financial Analysis of Oconee County**

### **Governmental Activities**

For governmental activities, the change in net position amounted to \$3,888,527. (Exb 2) This increase is due to a combination of factors, including an increase in sales tax collections and fire station land swap proceeds. Oconee County continues to practice conservative fiscal policies.

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.

### **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 \$2,929,298 (Exb 2) as a result of operating revenues, developer contributions represented at an estimate of fair market value, and transfers to the fund for SPLOST projects.

### **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, 2018, Oconee County governmental funds reported combined fund balances of \$28,370,167, up from \$24,639,041 in the prior year, an increase of \$3,731,126. (Exb 4)

General Fund is the chief operating fund of the county. At June 30, 2018, total fund balance in the general fund was \$13,800,448, an increase of \$2,738,928 from the prior year's fund balance of \$11,061,520. (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 FY18, the Industrial Development Authority expended \$64,553 of the Series 2016 Bond proceeds from the capital projects fund for the Parkway Boulevard Project. (Sch 9) Parkway Boulevard was completed in 2018.

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, 2018 totaled \$171,592. (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, 2018, total net position amounted to \$85,270,545. (Exb 6) This includes a change in net position of \$2,929,298. (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 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 \$2,119,071. (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. 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 decreased from the previous fiscal year. The County received the final reimbursement from the State of Georgia for the Mars Hill Road project in July 2017 thus reducing capital grants and contributions in FY18. 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 increased from the previous fiscal year.

## **Government – Wide Financial Analysis**

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2017 and the fiscal year ended June 30, 2018. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ending 2018 shows an increase in the change in net position of \$6.82 million (Table 2) over the previous fiscal year.

## **Financial Highlights**

The local economy continues to grow in Oconee County. Primary factors were low unemployment, new revenue sources through small business activity and continued commercial site construction. The continued growth of the Epps Bridge Centre in Oconee County has generated sales tax and in turn boosted the County's economy. Sales Tax in the state of Georgia is rising.

Oconee County's main revenue sources are sales taxes and property taxes. Sales tax revenues increased in fiscal year 2018. 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 2018.

Oconee County's total assets exceeded total liabilities at June 30, 2018, by \$170,719,499. (Exb 1) Total liabilities now includes total OPEB liability of \$5,785,216 with the implementation of GASB 75. (Note 10)

As a whole, the financial position of the Oconee County government continues to improve. At June 30, 2018, Oconee County's Governmental Fund Statement Report combined ending fund balances were \$28,370,167 (Exb 4) an increase of \$3,731,126. The General Fund reported an

unassigned fund balance of \$8,234,778. (Exb 3) Governmental funds report a \$13,131,477 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>	3,315,043	Sch 6
<b>SPLOST 2009</b>	882,742	Sch 6
<b>SPLOST 2015</b>	7,681,786	Exb 3
<b>Hotel Sales Tax</b>	193,088	Sch 5
<b>Industrial Development Authority Projects</b>	443,087	Sch 6
<b>General Fund</b>	615,731	Exb 3
<b>Total</b>	<b>\$13,131,477</b>	

The General Fund committed \$3,817,892 (Exb 3) for SR53/Mars Hill Road, signalization at the Mars Hill/Rocky Branch/Virgil Langford intersection, and the construction of Dove Creek Elementary School right-of-way improvements project. 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.

### **Budget Variations**

The original General Fund budget for the fiscal year end June 30, 2018, reflected anticipated revenues of \$26,927,455 and expenditures of \$24,352,349. The final budget for the fiscal year showed revenues of \$27,951,510 and expenditures of \$27,161,413, while the actual results for fiscal year ending June 30, 2018 indicated revenues of \$28,498,759 and expenditures of \$26,058,938. (Sch. 3) The overall variance to final budget was \$1,649,724 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>	26,927,455	24,352,349	2,575,106
<b>Final Budget</b>	27,951,510	27,161,413	790,097
<b>Actual Results</b>	28,498,759	26,058,938	2,439,821

### **Changes to Financial Presentation**

In FY18, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other Than Pensions*. The new standard requires the unfunded liability, or future expected payout, be presented as a liability on the Statement of Net Position. Changes in this liability are presented either in the Statement of Activities as an expense or as a deferred outflow/inflow on the Statement of Net Position. Previously, GASB 45 required the expense of OPEB benefits earned by retirees during the year.

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 was not previously reported in financial statements. Refer to Note 6 for the disclosure and additional information.

### **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, provide 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, 2018**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2017	2018	2017	2018	2017	2018
<b>Assets</b>						
Current & Other Assets	26.60	30.80	26.90	28.03	53.50	58.83
Capital Assets, Net	91.75	93.11	96.38	111.50	188.13	204.61
<b>Total Assets</b>	<b>118.35</b>	<b>123.91</b>	<b>123.28</b>	<b>139.53</b>	<b>241.63</b>	<b>263.44</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Debt Refunding	0.62	0.58	2.30	2.09	2.92	2.67
Deferred Outflow Related to Pensions	1.88	1.04	0.23	0.13	2.11	1.17
<b>Total Assets and Deferred Outflows</b>	<b>120.85</b>	<b>125.53</b>	<b>125.81</b>	<b>141.75</b>	<b>246.66</b>	<b>267.28</b>
<b>Liabilities</b>						
Current & Other Liabilities	2.13	2.59	1.81	4.22	3.94	6.81
Long-Term Liabilities						
Due Within One Year	1.54	1.38	2.07	2.16	3.61	3.54
Due in More Than One Year	30.46	35.14	38.90	49.98	69.36	85.12
<b>Total Liabilities</b>	<b>34.13</b>	<b>39.11</b>	<b>42.78</b>	<b>56.36</b>	<b>76.91</b>	<b>95.47</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflow Related to Pensions	0.53	0.97	0.06	0.12	0.59	1.09
<b>Total Liabilities and Deferred Inflows</b>	<b>34.66</b>	<b>40.08</b>	<b>42.84</b>	<b>56.48</b>	<b>77.50</b>	<b>96.56</b>
<b>Net Position</b>						
Net Investment in Capital Assets	79.14	81.14	65.95	72.87	145.09	154.01
Restricted						
Capital Projects	12.28	13.30	0.00	0.00	12.28	13.30
Judicial	0.29	0.37	0.00	0.00	0.29	0.37
Public Safety	0.23	0.25	0.00	0.00	0.23	0.25
Debt Service	0.00	0.00	1.72	1.83	1.72	1.83
Other Purposes	0.20	0.15	0.00	0.00	0.20	0.15
Unrestricted	(5.95)	(9.76)	15.30	10.57	9.35	0.81
<b>Total Net Position</b>	<b>86.19</b>	<b>85.45</b>	<b>82.97</b>	<b>85.27</b>	<b>169.16</b>	<b>170.72</b>

**Oconee County, Georgia**  
**For the Year Ended June 30, 2018**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2017	2018	2017	2018	2017	2018
<b>Revenue</b>						
<b>Program Revenues:</b>						
Charges for Services	4.92	5.08	11.76	10.82	16.68	15.90
Operating Grants & Contributions	1.00	0.91	0.01	0.00	1.01	0.91
Capital Grants & Contributions	3.36	2.01	1.23	0.85	4.59	2.86
<b>General Revenues:</b>						
Property Taxes	12.84	13.89			12.84	13.89
Sales Taxes	13.25	14.47			13.25	14.47
Intangible Taxes	0.66	0.66			0.66	0.66
Business Taxes	1.67	1.80			1.67	1.80
Franchise Fees	0.32	0.32			0.32	0.32
Other Taxes	0.20	0.20			0.20	0.20
Investment Earnings	0.03	0.09	0.07	0.15	0.10	0.24
Gain on Disposal of Capital Asset	0.04	1.75	0.01	0.00	0.05	1.75
<b>Total Revenues</b>	<b>38.29</b>	<b>41.20</b>	<b>13.08</b>	<b>11.82</b>	<b>51.37</b>	<b>53.02</b>
<b>Program Expenses</b>						
General Government	7.01	6.74			7.01	6.74
Judicial	2.35	2.65			2.35	2.65
Public Safety	10.56	10.94			10.56	10.94
Public Works	8.23	8.09			8.23	8.09
Health & Welfare	0.83	0.90			0.83	0.90
Culture & Recreation	3.97	3.95			3.97	3.95
Housing & Development	1.40	1.45			1.40	1.45
Interest & Fiscal Charges	0.76	0.74			0.76	0.74
Water & Sewer			8.59	9.72	8.59	9.72
Solid Waste			0.49	0.55	0.49	0.55
Special Facilities			0.49	0.47	0.49	0.47
<b>Total Expenses</b>	<b>35.11</b>	<b>35.46</b>	<b>9.57</b>	<b>10.74</b>	<b>44.68</b>	<b>46.20</b>
<b>Excess (Deficiency) Before Transfers &amp; Contributions</b>	<b>3.18</b>	<b>5.74</b>	<b>3.51</b>	<b>1.08</b>	<b>6.69</b>	<b>6.82</b>
<b>Total Transfers</b>	<b>(0.85)</b>	<b>(1.85)</b>	<b>0.85</b>	<b>1.85</b>	<b>0.00</b>	<b>0.00</b>
<b>Changes in Net Position</b>	<b>2.33</b>	<b>3.89</b>	<b>4.36</b>	<b>2.93</b>	<b>6.69</b>	<b>6.82</b>
<b>Net Position, Beginning</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>
<b>Change in Accounting Principle</b>	<b>0.00</b>	<b>(4.63)</b>	<b>0.00</b>	<b>(0.63)</b>	<b>0.00</b>	<b>(5.26)</b>
<b>Net Position, Beginning, as Restated</b>	<b>83.86</b>	<b>81.56</b>	<b>78.61</b>	<b>82.34</b>	<b>162.47</b>	<b>163.90</b>
<b>Net Position, Ending</b>	<b>86.19</b>	<b>85.45</b>	<b>82.97</b>	<b>85.27</b>	<b>169.16</b>	<b>170.72</b>



# **Basic Financial Statements**

**Oconee County, Georgia**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Health Department</u>
<b>ASSETS</b>				
Cash (Note 2)	\$ 13,669,483	\$ 5,718,486	\$ 19,387,969	\$ 801,714
Investments, plus accrued interest (Note 2)	13,135,699	2,230,585	15,366,284	-
Accounts receivable, net	313,305	1,001,887	1,315,192	16,991
Taxes receivable, net	155,786	-	155,786	-
Internal balances (Note 4)	(857,042)	857,042	-	-
Due from other governments	1,592,463	49,417	1,641,880	-
Prepaid expenses	422,158	13,829	435,987	-
Restricted cash (Note 2)	2,370,655	8,737,525	11,108,180	-
Restricted investments (Note 2)	-	149,488	149,488	-
Investment - UOBWA, net (Note 5)	-	9,269,101	9,269,101	-
Capital assets (Note 3):				
Capital assets not being depreciated	28,057,032	33,961,511	62,018,543	-
Capital assets, net of accumulated depreciation	65,049,750	77,537,476	142,587,226	45,043
<b>Total assets</b>	<u>123,909,289</u>	<u>139,526,347</u>	<u>263,435,636</u>	<u>863,748</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on debt refunding	583,207	2,096,137	2,679,344	-
Deferred outflow related to pensions (Note 9)	1,039,111	128,527	1,167,638	193,426
<b>Total assets and deferred outflows</b>	<u>125,531,607</u>	<u>141,751,011</u>	<u>267,282,618</u>	<u>1,057,174</u>
<b>LIABILITIES</b>				
Accounts payable	1,627,515	1,148,533	2,776,048	35,395
Accounts payable from restricted assets	13,055	851,821	864,876	-
Retainage payable	253,021	650,946	903,967	-
Salaries and benefits payable	409,683	52,845	462,528	-
Accrued interest	288,292	592,158	880,450	-
Customer deposits	-	918,017	918,017	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	1,381,603	2,164,721	3,546,324	4,854
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	22,647,563	48,385,177	71,032,740	-
Net pension liability (Note 9)	6,682,026	819,305	7,501,331	559,165
Total OPEB liability (Note 10)	5,123,967	661,249	5,785,216	470,006
Compensated absences	685,823	115,706	801,529	56,398
<b>Total liabilities</b>	<u>39,112,548</u>	<u>56,360,478</u>	<u>95,473,026</u>	<u>1,125,818</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pensions	970,105	119,988	1,090,093	69,987
<b>Total liabilities and deferred inflows</b>	<u>40,082,653</u>	<u>56,480,466</u>	<u>96,563,119</u>	<u>1,195,805</u>
<b>NET POSITION</b>				
Net investment in capital assets	81,143,051	72,864,220	154,007,271	45,043
Restricted for:				
Capital projects	13,296,720	-	13,296,720	-
Judicial	373,770	-	373,770	-
Public safety	251,009	-	251,009	-
Debt service	-	1,833,424	1,833,424	-
Other purposes	150,347	-	150,347	-
Unrestricted	(9,765,943)	10,572,901	806,958	(183,674)
<b>Total net position</b>	<u>\$ 85,448,954</u>	<u>\$ 85,270,545</u>	<u>\$ 170,719,499</u>	<u>\$ (138,631)</u>

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

**Oconee County, Georgia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Health Department
	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental:</b>							
General government	\$ 6,741,173	\$ 26,910	\$ -	\$ (5,659,377)		\$ (5,659,377)	
Judicial	2,647,748	515,248	-	(1,240,958)		(1,240,958)	
Public safety	10,943,790	90,390	-	(9,890,809)		(9,890,809)	
Public works	8,094,401	4,367	2,011,217	(6,078,817)		(6,078,817)	
Health and welfare	895,967	-	-	(643,034)		(643,034)	
Culture and recreation	3,952,021	252,933	-	(2,712,082)		(2,712,082)	
Housing and development	1,451,560	19,830	-	(495,433)		(495,433)	
Interest and fiscal charges	739,115	10,000	-	(739,115)		(739,115)	
<b>Total governmental activities</b>	<b>35,465,775</b>	<b>915,311</b>	<b>2,011,217</b>	<b>(27,459,625)</b>		<b>(27,459,625)</b>	
<b>Business-type:</b>							
Water and sewer	9,719,211	-	843,355		\$ 1,540,501	1,540,501	
Solid waste	547,764	1,000	3,447		(315,026)	(315,026)	
Special facilities	474,834	-	-		(298,919)	(298,919)	
<b>Total business-type activities</b>	<b>10,741,809</b>	<b>1,000</b>	<b>846,802</b>		<b>926,556</b>	<b>926,556</b>	
<b>Component units:</b>							
Oconee County Health Department	890,812	472,542	-				\$ 268,927
<b>Total Oconee County</b>	<b>\$ 47,098,396</b>	<b>\$ 1,388,853</b>	<b>\$ 2,858,019</b>	<b>(27,459,625)</b>	<b>926,556</b>	<b>(26,533,069)</b>	
General revenues:							
Taxes							
Property taxes, levied for general purposes				13,896,986	-	13,896,986	-
Sales tax				14,469,634	-	14,469,634	-
Intangible tax				661,316	-	661,316	-
Business taxes				1,801,791	-	1,801,791	-
Franchise taxes				320,783	-	320,783	-
Other taxes				200,463	-	200,463	-
Investment earnings				94,803	151,794	246,597	1,131
Gain on disposal of capital assets				1,753,324	-	1,753,324	-
Transfers				(1,850,948)	1,850,948	-	-
Total general revenues and transfers				31,348,152	2,002,742	33,350,894	1,131
				3,888,527	2,929,298	6,817,825	270,058
				86,196,050	82,967,972	169,164,022	111,872
<b>Net position - beginning, as originally reported</b>				(4,635,623)	(626,725)	(5,262,348)	(520,561)
<b>Change in accounting principle (Note 17)</b>				81,560,427	82,341,247	163,901,674	(408,689)
<b>Net position - beginning, as restated</b>				\$ 85,448,954	\$ 85,270,545	\$ 170,719,499	\$ (138,631)
<b>Net position - ending</b>							

**Change in net position**

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

**Oconee County, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<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)	\$ 4,369,503	\$ 5,899,141	\$ 3,400,840	\$ 13,669,484
Investments (Note 2)	9,209,478	-	3,926,221	13,135,699
Accounts receivable, net	150,173	-	163,132	313,305
Taxes receivable, net	154,831	-	955	155,786
Internal balances (Note 4)	424,490	-	433,290	857,780
Due from other governments	728,584	686,099	177,780	1,592,463
Prepaid items	245,723	165,243	11,193	422,159
Restricted cash (Note 2)	13,055	2,357,600	-	2,370,655
<b>Total assets</b>	<u>\$ 15,295,837</u>	<u>\$ 9,108,083</u>	<u>\$ 8,113,411</u>	<u>\$ 32,517,331</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 591,017	\$ 483,412	\$ 553,084	\$ 1,627,513
Retainage payable	-	187,657	65,364	253,021
Internal balances (Note 4)	408,565	589,985	716,272	1,714,822
Salaries and benefits payable	367,073	-	42,610	409,683
Bonds and deposits payable from restricted cash	13,055	-	-	13,055
<b>Total liabilities</b>	<u>1,379,710</u>	<u>1,261,054</u>	<u>1,377,330</u>	<u>4,018,094</u>
Deferred inflows of resources:				
Unavailable property taxes	115,679	-	791	116,470
Unavailable grant reimbursements	-	-	12,600	12,600
<b>Total deferred inflows</b>	<u>115,679</u>	<u>-</u>	<u>13,391</u>	<u>129,070</u>
Fund balances:				
Nonspendable	245,723	165,243	11,193	422,159
Restricted				
Capital projects	615,731	7,681,786	4,833,960	13,131,477
Judicial	-	-	373,770	373,770
Public safety	-	-	247,863	247,863
Public works	-	-	374	374
Culture and recreation	-	-	3,757	3,757
Housing and development	-	-	146,216	146,216
Committed				
Public safety	886,324	-	-	886,324
Public works	3,817,892	-	-	3,817,892
Assigned				
Health and welfare	-	-	219,920	219,920
Housing and development	-	-	904,036	904,036
Unassigned	8,234,778	-	(18,399)	8,216,379
<b>Total fund balances</b>	<u>13,800,448</u>	<u>7,847,029</u>	<u>6,722,690</u>	<u>28,370,167</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 15,295,837</u>	<u>\$ 9,108,083</u>	<u>\$ 8,113,411</u>	<u>\$ 32,517,331</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, 2018**

Total *fund* balances for governmental funds (Exhibit 3) \$ 28,370,167

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

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

Capital assets not being depreciated	28,057,032	
Capital assets, net of depreciation	65,049,750	
Total capital assets		93,106,782

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. 116,466

Grant reimbursements are recorded as revenue once the costs for the grant are incurred under the accrual basis of accounting used on the Statement of Net Position. The reimbursements must be received in time to liquidate current obligations to be considered available and reported as revenue in the funds. This adjustment represents revenue not received in time to be considered available. 12,600

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. 1,039,111

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. (970,105)

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. (5,123,967)

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. 583,207

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	\$ (288,292)	
Bonds, notes, and capital leases payable	(24,029,166)	
Net pension liability	(6,682,026)	
Compensated absences	(685,823)	
Total long-term liabilities		(31,685,307)

Total net position of governmental activities (Exhibit 1) \$ 85,448,954

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

**Oconee County, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 23,604,653	\$ 7,377,147	\$ 171,592	\$ 31,153,392
Licenses and permits	843,434	-	-	843,434
Intergovernmental revenue	711,091	-	700,517	1,411,608
Charges for services	2,652,279	-	1,116,859	3,769,138
Fines and forfeitures	496,027	-	78,132	574,159
Investment income	91,626	5,079	48,803	145,508
Contributions and donations	210	-	90,205	90,415
Miscellaneous	99,439	-	29,729	129,168
<b>Total revenues</b>	<u>28,498,759</u>	<u>7,382,226</u>	<u>2,235,837</u>	<u>38,116,822</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,492,491	-	3,896	5,496,387
Judicial	2,036,288	-	562,640	2,598,928
Public safety	8,861,554	-	1,885,518	10,747,072
Public works	3,875,272	-	225,950	4,101,222
Health and welfare	310,862	-	567,161	878,023
Culture and recreation	3,134,160	-	73,252	3,207,412
Housing and development	1,119,909	-	188,432	1,308,341
Debt service:				
Principal payments	870,000	648,212	12,508	1,530,720
Interest and fiscal charges	358,402	356,006	2,052	716,460
Capital outlay:				
General government	-	201,681	170,719	372,400
Judicial	-	47,337	-	47,337
Public safety	-	307,381	892,294	1,199,675
Public works	-	1,496,452	254,852	1,751,304
Culture and recreation	-	1,948,976	12,563	1,961,539
Housing and development	-	-	64,553	64,553
Intergovernmental	-	1,033,539	-	1,033,539
<b>Total expenditures</b>	<u>26,058,938</u>	<u>6,039,584</u>	<u>4,916,390</u>	<u>37,014,912</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>2,439,821</u>	<u>1,342,642</u>	<u>(2,680,553)</u>	<u>1,101,910</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	-	2,400,000	257,129	2,657,129
Proceeds from sale of capital assets	1,823,035	-	-	1,823,035
Transfers in	353,646	-	1,721,985	2,075,631
Transfers (out)	(1,877,574)	(589,985)	(1,459,020)	(3,926,579)
<b>Total other financing sources (uses)</b>	<u>299,107</u>	<u>1,810,015</u>	<u>520,094</u>	<u>2,629,216</u>
<b>Net change in fund balances</b>	2,738,928	3,152,657	(2,160,459)	3,731,126
<b>Fund balances - beginning</b>	<u>11,061,520</u>	<u>4,694,372</u>	<u>8,883,149</u>	<u>24,639,041</u>
<b>Fund balances - ending</b>	<u>\$ 13,800,448</u>	<u>\$ 7,847,029</u>	<u>\$ 6,722,690</u>	<u>\$ 28,370,167</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, 2018**

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ 3,731,126

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 (\$5,538,072) exceeded depreciation (\$5,434,976) in the current period. 103,096

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). (76,506)

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: 181,729

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. (267,528)

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. (2,882)

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. 12,600

**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, 2018**

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.	1,332,181
Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Net Position.	(2,400,000)
Proceeds from the issuance of capital leases are reported as other financing sources in governmental funds and increase fund balance. The capital leases are reported as a liability in the government-wide statements rather than as an increase to net position.	(257,129)
<p>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:</p>	
Principal repayment	1,530,720
Accrued interest on debt	(7,692)
Amortization of deferred amount on bond refunding	(38,881)
Amortization of bond premiums and discounts	19,878
	1,504,025
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.	27,815
Change in net position of governmental activities (Exhibit 2)	\$ 3,888,527

**Oconee County, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
<b>ASSETS</b>			
Current assets:			
Cash (Note 2)	\$ 5,716,905	\$ 1,581	\$ 5,718,486
Investments, plus accrued interest (Note 2)	2,230,585	-	2,230,585
Accounts receivable, net of allowance of \$49,453	983,880	18,007	1,001,887
Internal balances (Note 4)	1,145,927	-	1,145,927
Due from other governments	49,417	-	49,417
Prepaid items	10,484	3,345	13,829
<b>Total current assets</b>	<b>10,137,198</b>	<b>22,933</b>	<b>10,160,131</b>
Noncurrent assets:			
Restricted cash (Note 2)	8,737,525	-	8,737,525
Restricted investments (Note 2)	149,488	-	149,488
Investment - UOBWA, net (Note 5)	9,269,101	-	9,269,101
Capital assets (Note 3)			
Capital assets not being depreciated	33,811,511	150,000	33,961,511
Capital assets, net of accumulated depreciation	76,062,983	1,474,493	77,537,476
<b>Total capital assets</b>	<b>109,874,494</b>	<b>1,624,493</b>	<b>111,498,987</b>
<b>Total noncurrent assets</b>	<b>128,030,608</b>	<b>1,624,493</b>	<b>129,655,101</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on debt refunding	2,096,137	-	2,096,137
Deferred outflow related to pensions (Note 9)	108,141	20,386	128,527
<b>Total deferred outflows</b>	<b>2,204,278</b>	<b>20,386</b>	<b>2,224,664</b>
<b>Total assets and deferred outflows</b>	<b>140,372,084</b>	<b>1,667,812</b>	<b>142,039,896</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,089,080	59,453	1,148,533
Accounts payable-construction from restricted investments	851,821	-	851,821
Retainage payable	650,946	-	650,946
Internal balances (Note 4)	288,885	-	288,885
Salaries and benefits payable	39,184	13,661	52,845
Accrued interest	592,158	-	592,158
Customer deposits-payable from restricted cash	918,017	-	918,017
Bonds, notes and contracts payable (Note 7)	2,164,721	-	2,164,721
<b>Total current liabilities</b>	<b>6,594,812</b>	<b>73,114</b>	<b>6,667,926</b>
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	48,385,177	-	48,385,177
Compensated absences (Note 7)	84,136	31,570	115,706
Net pension liability (Note 9)	510,665	308,640	819,305
Total OPEB liability (Note 10)	505,049	156,200	661,249
<b>Total noncurrent liabilities</b>	<b>49,485,027</b>	<b>496,410</b>	<b>49,981,437</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions (Note 9)	100,959	19,029	119,988
<b>Total liabilities and deferred inflows</b>	<b>56,180,798</b>	<b>588,553</b>	<b>56,769,351</b>
<b>NET POSITION</b>			
Net investment in capital assets	71,239,727	1,624,493	72,864,220
Restricted for debt service	1,833,424	-	1,833,424
Unrestricted	11,118,135	(545,234)	10,572,901
<b>Total net position</b>	<b>\$ 84,191,286</b>	<b>\$ 1,079,259</b>	<b>\$ 85,270,545</b>

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, 2018**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Other Enterprise Funds</u>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 9,313,268	\$ 280,318	\$ 9,593,586
Licenses and permits	-	6,000	6,000
Rents and royalties	-	117,888	117,888
Miscellaneous	245,651	1,000	246,651
<b>Total operating revenues</b>	<u>9,558,919</u>	<u>405,206</u>	<u>9,964,125</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,687,402	459,114	2,146,516
Other contracted services	561,630	336,366	897,996
Water purchase and treatment costs	1,335,914	-	1,335,914
Supplies and materials	48,219	34,330	82,549
Repairs and maintenance	1,263,490	13,277	1,276,767
Utilities	397,733	64,009	461,742
Insurance	10,258	9,105	19,363
Depreciation	2,241,990	71,272	2,313,262
Other charges	132,487	35,125	167,612
<b>Total operating expenses</b>	<u>7,679,123</u>	<u>1,022,598</u>	<u>8,701,721</u>
<b>Operating income (loss)</b>	<u>1,879,796</u>	<u>(617,392)</u>	<u>1,262,404</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	-	3,447	3,447
Investment earnings	151,794	-	151,794
Water availability fees	589,180	-	589,180
Sewer capacity fees	259,634	-	259,634
Sewer connection fees	8,624	-	8,624
Amortization expense - UOBWA	(151,654)	-	(151,654)
Interest expense	(1,888,434)	-	(1,888,434)
<b>Total nonoperating revenue (expense)</b>	<u>(1,030,856)</u>	<u>3,447</u>	<u>(1,027,409)</u>
<b>Income (loss) before contributions and transfers</b>	848,940	(613,945)	234,995
Capital contributions	843,355	-	843,355
Transfers in	2,026,305	162,209	2,188,514
Transfers (out)	-	(337,566)	(337,566)
<b>Change in net position</b>	<u>3,718,600</u>	<u>(789,302)</u>	<u>2,929,298</u>
<b>Total net position - beginning, as originally reported</b>	80,951,366	2,016,606	82,967,972
<b>Change in accounting principle (Note 17)</b>	<u>(478,680)</u>	<u>(148,045)</u>	<u>(626,725)</u>
<b>Total net position - beginning, as restated</b>	<u>80,472,686</u>	<u>1,868,561</u>	<u>82,341,247</u>
<b>Total net position - ending</b>	<u>\$ 84,191,286</u>	<u>\$ 1,079,259</u>	<u>\$ 85,270,545</u>

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, 2018**

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 9,371,655	\$ 393,234	\$ 9,764,889
Payments to suppliers	(3,585,358)	(482,432)	(4,067,790)
Payments to employees	(1,679,913)	(455,113)	(2,135,026)
Net cash provided (used) by operating activities	<u>4,106,384</u>	<u>(544,311)</u>	<u>3,562,073</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund loans - proceeds and collections	12,582	-	12,582
Transfers in	-	548,474	548,474
Transfers (out)	-	(420)	(420)
Net cash provided by noncapital financing activities	<u>12,582</u>	<u>548,054</u>	<u>560,636</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(14,311,338)	(6,428)	(14,317,766)
Cash received from grants	-	3,447	3,447
Transfers in used for construction of capital assets	880,378	-	880,378
Proceeds from issuance of debt	14,919,307	-	14,919,307
Deposits with escrow agent to defease debt	(1,813,177)	-	(1,813,177)
Principal payments on debt	(2,171,098)	-	(2,171,098)
Interest payments on debt	(1,485,649)	-	(1,485,649)
Payment of bond issuance costs	(287,663)	-	(287,663)
Sewer capacity and connection fees from customers	857,438	-	857,438
Net cash (used) for capital and related financing activities	<u>(3,411,802)</u>	<u>(2,981)</u>	<u>(3,414,783)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	187,464	-	187,464
Purchase of investments	(35,666)	-	(35,666)
Proceeds from sale of investments	1,919,381	-	1,919,381
Net cash provided by investing activities	<u>2,071,179</u>	<u>-</u>	<u>2,071,179</u>
Net change in cash	2,778,343	762	2,779,105
Cash - beginning	11,676,087	819	11,676,906
Cash - end	<u>\$ 14,454,430</u>	<u>\$ 1,581</u>	<u>\$ 14,456,011</u>
Displayed as:			
Cash	\$ 5,716,905	\$ 1,581	\$ 5,718,486
Restricted cash - noncurrent	8,737,525	-	8,737,525
	<u>\$ 14,454,430</u>	<u>\$ 1,581</u>	<u>\$ 14,456,011</u>

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, 2018**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Other Enterprise Funds</u>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 1,879,796	\$ (617,392)	\$ 1,262,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,241,990	71,272	2,313,262
Change in assets, liabilities and deferred amounts:			
Receivables, net	(252,169)	(12,524)	(264,693)
Prepaid items	262	7	269
Due from other governments	251,061	552	251,613
Accounts payable	(86,950)	9,773	(77,177)
Accrued expenses	(904)	(4,118)	(5,022)
Customer deposits	64,905	-	64,905
Compensated absences	7,338	2,036	9,374
Net change in pension deferrals	127,103	26,659	153,762
Net pension liability	(152,417)	(28,731)	(181,148)
Net OPEB liability	26,369	8,155	34,524
Net cash provided (used) by operating activities	<u>\$ 4,106,384</u>	<u>\$ (544,311)</u>	<u>\$ 3,562,073</u>
<b>Non-cash investing, capital and financing activities:</b>			
Contribution of water system assets	\$ 843,355	\$ -	\$ 843,355
Transfers not paid in cash during the year	1,145,927	-	1,145,927
Interfund balances satisfied through transfers	-	723,411	723,411

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

**Oconee County, Georgia**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2018**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	<u>\$ 741,421</u>
<b>Total assets</b>	<u>741,421</u>
 <b>LIABILITIES</b>	
Due to others	<u>741,421</u>
<b>Total liabilities</b>	<u>741,421</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, 2018**

**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 \$150,000 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, 2018**

**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, 2018**

**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, 2018**

**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 \$49,453 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, 2017. The collection period for property taxes was September 15, 2017 through November 15, 2017. Taxes receivable at June 30, 2018 amounted to \$155,786 while unavailable property taxes totaled \$116,470.

**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, 2018**

**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 \$10,000 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.

The County implemented the accounting standards contained in GASB Statement No 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as of the beginning of this fiscal year. The implementation of this standard required the County to recognize a liability for an estimate of its unfunded liability under its retiree health plan in its governmental activities in the government wide statements and in its business-type fund level statements. No liability is reported in the governmental funds related to the County's retiree health plan. The implementation required the County to adjust its beginning net position in the governmental activities and business-type fund statements for the actuarially estimated OPEB liability as of July 1, 2017.

**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, construction of other water and sewer projects, and the repayment of the contract payable with WCWSA.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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.

**M. Early Implementation of Accounting Standard**

Effective July 1, 2017, the County elected to early implement GASB Statement No. 89 *Accounting for Interest Cost Incurred Before the end of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

**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, 2018, none of the County's deposits was exposed to custodial credit risk.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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	\$ 13,055
<u>SPLOST 2015</u>		
	Lease proceeds	\$ 2,357,600
<u>Water and Sewer Fund</u>		
	Debt service reserve - 2012 bonds	317,431
	Sinking Fund - WCWSA 2016 bonds	361,451
	Construction proceeds - WCWSA 2012 GEFA	30,601
	Construction proceeds - WCWSA 2016 bonds	1,684,476
	Sinking Fund - 2017 bonds	1,005,054
	Construction proceeds - 2017 bonds	4,426,997
	Customer deposits	911,515
	Restricted cash - noncurrent	<u>\$ 8,737,525</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, 2018, the County had 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 AA Af 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Concentration of Credit Risk**

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

**Foreign Currency Risk**

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

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

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>	<u>Balance</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	10 days	\$ 2,230,585
			<u>2,230,585</u>
<u>General Fund</u>			
Georgia Fund 1	AAAf	10 days	9,209,478
<u>Non-major Funds</u>			
Georgia Fund 1	AAAf	10 days	3,240,745
Certificates of deposit		12 month	685,476
			<u>3,926,221</u>
		Total unrestricted	<u>\$ 15,366,284</u>
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	10 days	149,488
		Total restricted	<u>149,488</u>
		Total investments	<u>\$ 15,515,772</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
Investments measured at fair value:				
Georgia Fund 1	-	-	-	\$ 14,830,296

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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

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

<u>Water and Sewer Fund</u>		
Sinking Fund 2015 WCWSA Contract Payable		\$ 149,488
Restricted investments - noncurrent		\$ 149,488
		\$ 149,488

**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, 2018 was as follows:

<u>Primary Government</u>	<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	\$ 11,852,688	\$ 10,860,416	\$ 13,500	\$ 22,699,604
Construction in progress	17,430,097	4,514,173	17,665,727	4,278,543
Intangibles	584,800	494,085	-	1,078,885
Total capital assets not being depreciated	29,867,585	15,868,674	17,679,227	28,057,032
<i>Capital assets being depreciated:</i>				
Infrastructure	109,931,247	7,488,306	-	117,419,553
Buildings and improvements	43,990,541	177,379	160,164	44,007,756
Equipment, furniture and vehicles	16,432,224	1,001,621	84,701	17,349,144
Total capital assets being depreciated	170,354,012	8,667,306	244,865	178,776,453
Less accumulated depreciation for:				
Infrastructure	79,837,847	2,991,660	-	82,829,507
Buildings and improvements	15,657,263	1,422,954	97,158	16,983,059
Equipment, furniture and vehicles	12,978,476	1,020,362	84,701	13,914,137
Total accumulated depreciation	108,473,586	5,434,976	181,859	113,726,703
Total capital assets being depreciated, net	61,880,426	3,232,330	63,006	65,049,750
Governmental activity capital assets, net	\$ 91,748,011	\$ 19,101,004	\$ 17,742,233	\$ 93,106,782

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 3: Capital Assets, continued**

Depreciation expense was charged to functions as follows:

General government	\$ 266,915
Judicial	34,702
Public safety	1,119,335
Public works	3,098,268
Health and welfare	44,236
Culture and recreation	704,785
Housing and development	166,735
Total governmental activities depreciation expense	\$ 5,434,976

Total interest cost incurred for governmental activities was \$739,115. All of the interest cost incurred for governmental activities was expensed.

**Business-type Activities:**

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Water and Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 12,347,807	\$ 21,655	\$ -	\$ 12,369,462
Construction in progress	5,594,474	16,402,653	613,375	21,383,752
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	18,000,577	16,424,308	613,375	33,811,510
Capital assets being depreciated:				
Treatment and distribution system	102,689,809	1,435,073	-	104,124,882
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,167,632	177,190	-	1,344,822
Total capital assets being depreciated	104,153,577	1,612,263	-	105,765,840
Less accumulated depreciation for:				
Treatment and distribution system	26,297,875	2,171,691	-	28,469,566
Buildings and improvements	143,293	9,533	-	152,826
Equipment, furniture and vehicles	1,019,698	60,766	-	1,080,464
Total accumulated depreciation	27,460,866	2,241,990	-	29,702,856
Capital assets being depreciated, net	76,692,711	(629,727)	-	76,062,984
Water and sewer capital assets, net	94,693,288	15,794,581	613,375	109,874,494

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 3: Capital Assets, continued**

<b>Total Non-major Business-type Activities</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
Capital assets not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets not being depreciated	150,000	-	-	150,000
Capital assets being depreciated:				
Land improvements	44,865	-	-	44,865
Buildings and improvements	2,859,954	6,427	-	2,866,381
Equipment, furniture and vehicles	278,978	-	2,276	276,702
Total capital assets being depreciated	3,183,797	6,427	2,276	3,187,948
Less accumulated depreciation for:				
Land improvements	34,931	765	-	35,696
Buildings and improvements	1,377,347	64,171	-	1,441,518
Equipment, furniture and vehicles	232,181	6,336	2,276	236,241
Total accumulated depreciation	1,644,459	71,272	2,276	1,713,455
Capital assets being depreciated, net	1,539,338	(64,845)	-	1,474,493
Total non-major business-type activities, net	1,689,338	(64,845)	-	1,624,493
Business-type activities capital assets, net	<u>\$ 96,382,626</u>	<u>\$ 15,729,736</u>	<u>\$ 613,375</u>	<u>\$ 111,498,987</u>

The Water and Sewer Fund incurred total interest cost of \$1,671,973 of interest costs, all of which was expensed.

**Note 4: Interfund Balances and Activity**

Interfund balances at June 30, 2018 consist of the following:

<u>Due to:</u>	<u>Due from:</u>				<u>Total</u>
	<u>General Fund</u>	<u>SPLOST 2015</u>	<u>Non-major Gov't Funds</u>	<u>Water &amp; Sewer Fund</u>	
<u>Governmental funds</u>					
General Fund	\$ -	\$ -	\$ 135,605	\$ 288,885	\$ 424,490
Non-major Gov't Funds	408,565	-	24,725	-	433,290
<u>Enterprise funds</u>					
Water and Sewer Fund	-	\$ 589,985	555,942	-	1,145,927
	<u>\$ 408,565</u>	<u>\$ 589,985</u>	<u>\$ 716,272</u>	<u>\$ 288,885</u>	<u>\$ 2,003,707</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 \$316,605 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Transfers to/from Other Funds**

Transfers Out:	Transfers in:				Total
	General Fund	Nonmajor Gov't Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 1,715,365	\$ -	\$ 162,209	\$ 1,877,574
SPLOST 2015	-	-	589,985	-	589,985
Non-major Gov't Funds	16,500	6,200	1,436,320	-	1,459,020
Non-major Enter Funds	337,146	420	-	-	337,566
	\$ 353,646	\$ 1,721,985	\$ 2,026,305	\$ 162,209	\$ 4,264,145

The transfers to the General Fund from the nonmajor governmental funds in the amount of \$16,500 were to facilitate the payment of certain expenditures that have multiple funding sources.

The transfers to the General Fund from the nonmajor enterprise funds in the amount of \$337,146 were to satisfy interfund balances that had accumulated in the nonmajor enterprise funds.

The transfers from nonmajor governmental and enterprise funds in the amount of \$6,620 to other nonmajor governmental funds were to facilitate the payment of certain expenditures that have multiple funding sources.

The General Fund transferred out \$1,715,365 to nonmajor gov't funds and \$162,209 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 SPLOST 2009 Fund transferred \$1,436,320 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 \$589,985 to the Water and Sewer 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, 2018**

**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	(2,629,434)
Investment in UOBWA, net	\$ 9,269,101

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, 2018, the County abated ad valorem property taxes totaling \$218,820 through an agreement. The following agreement(s) exceeds 25 percent of the total amount abated:

A local manufacturing plant had tax abatements of \$218,820. 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 \$7,895,000 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, 2018**

**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.

**Installment Agreement**

In February 2018, the County entered into a \$2,400,000 installment agreement. The proceeds were used to purchase land for construction of a new fire station. The installment agreement is payable in ten semi-annual payments and the interest rate is 2.8530%. The installment agreement will be liquidated by the SPLOST 2015 Fund.

**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 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 lease was paid in full during fiscal year 2018.

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 lease was paid in full during fiscal year 2018.

On June 1, 2018, the County entered into a \$257,129 lease-purchase agreement for the purchase of emergency communication equipment. The lease is for a period sixty months at an interest rate of 3.96% and will be liquidated by payments from the E-911 Fund. The lease is payable in sixty monthly 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	\$ 241,623
Interact Computer Aid Dispatch	201,538	100,714
Net Motion Licenses	44,141	22,058
E-911 communication equipment	257,129	4,227

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

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Conduit Debt**

The Oconee County Industrial Development Authority (OCIDA), a blended component unit of the County, has issued several industrial revenue bonds that were used to finance the cost of the acquisition, equipping and improvement of certain land and buildings located in Oconee County, Georgia. The total amount of industrial revenue bonds outstanding at year end was \$17,307,149, made up of three issues. The Authority receives an annual administrative fee of \$10,000 in connection with the issuance of the Series 2012 Bonds. This fee is reported as other income in the financial statements. Although this debt bears the name of the Oconee County Industrial Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf the debt was issued. Therefore, no liability has been reflected in the financial statements for this debt.

*Business-type Activities*

**Revenue Bonds**

*Series 2003 Bonds*

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

*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. During the year, the Series 2009 bonds were advance refunded by the County's issuance of the Series 2017B bonds.

*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 been paid off.

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.

*Series 2017 Bonds*

During October, 2017, the County issued \$10,915,000 of Series 2017A Oconee County, Georgia Water and Sewerage Revenue Bonds and \$1,765,000 of Series 2017B Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds with coupon rates ranging from 1.7% to 2.92%. The bonds were issued at a premium of \$2,230,718 and \$8,589, respectively, with issuance costs of \$287,663. Yielding net proceeds of \$12,900,000 and \$1,813,177, respectively. The proceeds of the 2017A bonds were used to finance renovation and improvement costs of the system.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

The 2017B bonds were used to advance refund \$1,735,000 of the remaining outstanding balance of the Series 2009 Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds by placing funds in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The County has no access to the escrow funds. As a result, the Series 2009 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position even though \$1,735,000 of the Series 2009 bonds are legally outstanding at year-end.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$130,335. This was recorded as a deferred charge under the title “deferred amount on debt refunding” and is being amortized to interest expense over the remaining life of the Series 2009 bonds, through fiscal year 2020, using the straight-line method.

The debt service payments required under the Series 2009 bonds directly before the refunding were \$1,765,267 and the debt service payments required under the Series 2017B bonds are \$1,812,589. Required debt service payments under the refunded bonds increased by \$47,322. The economic loss on the bond refunding, calculated by discounting the increased debt service payments by the average yield of the Series 2017B bonds is \$45,103.

The Series 2012 and Series 2017 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- Upper Oconee Basin Water Authority (UOBWA)**

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

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

**Contracts Payable – Walton County and the Walton County Water and Sewerage Authority (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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

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 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 \$17,550,000 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.

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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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>Governmental activities:</b>					
Contracts payable - OCIDA	\$ 13,415,000	\$ -	\$ 870,000	\$ 12,545,000	\$ 890,000
Less: discount	(8,999)	-	(540)	(8,459)	-
Net contracts payable	<u>13,406,001</u>	<u>-</u>	<u>869,460</u>	<u>12,536,541</u>	<u>890,000</u>
General obligation bonds	8,935,000	-	415,000	8,520,000	435,000
Issuance premiums	316,484	-	20,418	296,066	-
Net bonds payable	<u>9,251,484</u>	<u>-</u>	<u>435,418</u>	<u>8,816,066</u>	<u>435,000</u>
Installment Agreement	-	2,400,000	-	2,400,000	-
Capital leases	265,150	257,129	245,720	276,559	56,603
Total contracts payable, bond payable and capital leases, net	22,922,635	2,657,129	1,550,598	24,029,166	1,381,603
Compensated absences	713,638	438,926	466,741	685,823	-
Total governmental activities	<u>\$ 23,636,273</u>	<u>\$ 3,096,055</u>	<u>\$ 2,017,339</u>	<u>\$ 24,714,989</u>	<u>\$ 1,381,603</u>
	<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	\$ 7,879,072	\$ -	\$ -	\$ 7,879,072	\$ -
Less: discounts on GEFA notes	(3,480,626)	-	91,980	(3,388,646)	-
Total notes payable	<u>4,398,446</u>	<u>-</u>	<u>91,980</u>	<u>4,490,426</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	5,385,415	-	461,098	4,924,317	474,721
Plus: issuance premium	577,304	-	57,730	519,574	-
WCWSA Contract payable	17,755,000	-	490,000	17,265,000	500,000
Plus: issuance premiums	1,997,557	-	102,796	1,894,761	-
Total contracts payable	<u>25,715,276</u>	<u>-</u>	<u>1,111,624</u>	<u>24,603,652</u>	<u>974,721</u>
Bonds payable:					
Revenue bonds	8,975,000	12,680,000	2,955,000	18,700,000	1,190,000
Deferred amounts:					
Issuance discounts	(1,339)	-	(1,339)	-	-
Issuance premiums	770,001	2,239,307	253,488	2,755,820	-
Total bonds payable	<u>9,743,662</u>	<u>14,919,307</u>	<u>3,207,149</u>	<u>21,455,820</u>	<u>1,190,000</u>
Total notes payable, contracts payable and bonds payable, net	39,857,384	14,919,307	4,410,753	50,549,898	2,164,721
Compensated absences - Water	76,798	48,578	41,240	84,136	-
Compensated absences - Nonmajor	29,534	12,657	10,621	31,570	-
Total Business-type activities	<u>\$ 39,963,716</u>	<u>\$ 14,980,542</u>	<u>\$ 4,462,614</u>	<u>\$ 50,665,604</u>	<u>\$ 2,164,721</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

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

	2012 Series	2017 Series	Total
Outstanding bond payable	\$ 6,020,000	\$ 12,680,000	\$ 18,700,000
Unamortized premium	603,876	2,151,944	2,755,820
Net total	<u>\$ 6,623,876</u>	<u>\$ 14,831,944</u>	<u>\$ 21,455,820</u>

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

**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		Installment Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 435,000	\$ 330,485	\$ 890,000	\$ 339,199	\$ -	\$ 69,423
2020	445,000	313,085	910,000	319,736	600,000	59,913
2021	470,000	290,835	930,000	297,941	600,000	42,795
2022	480,000	275,560	950,000	276,824	600,000	25,677
2023	500,000	251,560	970,000	254,662	600,000	8,559
2024 - 2028	2,815,000	921,083	4,165,000	915,152	-	-
2029 - 2033	3,375,000	388,783	3,055,000	440,677	-	-
2034	-	-	675,000	24,974	-	-
	<u>\$ 8,520,000</u>	<u>\$ 2,771,391</u>	<u>\$ 12,545,000</u>	<u>\$ 2,869,165</u>	<u>\$ 2,400,000</u>	<u>\$ 206,367</u>

Future minimum lease payments at year-end are:

Year Ending June, 30	Governmental Activities
2019	66,598
2020	66,598
2021	61,684
2022	56,769
2023	52,040
Minimum lease payments	303,689
Less: Interest	(27,130)
Net present value of minimum lease payments	<u>\$ 276,559</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

*Business-type activities*

Year Ending June 30,	Water and Sewer Fund			
	2012 Revenue Bonds		2017 Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 265,000	\$ 284,125	\$ 925,000	\$ 571,800
2020	380,000	274,450	840,000	554,150
2021	1,270,000	237,000	-	545,750
2022	1,335,000	171,875	-	545,750
2023	1,400,000	103,500	-	545,750
2024-2028	1,370,000	34,250	2,380,000	2,498,250
2029-2033	-	-	3,740,000	1,685,000
2034-2038	-	-	4,795,000	623,625
	<u>\$ 6,020,000</u>	<u>\$ 1,105,200</u>	<u>\$ 12,680,000</u>	<u>\$ 7,570,075</u>

Year Ending June 30,	Water and Sewer Fund					
	Contract Payable - UOBWA		Contract Payable - WCWSA		Notes Payable - GEFA	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 474,721	\$ 200,342	\$ 500,000	\$ 715,538	\$ -	\$ -
2020	489,393	186,100	515,000	700,694	-	-
2021	504,064	171,418	540,000	680,500	-	67,864
2022	519,783	156,297	555,000	659,306	-	43,022
2023	538,646	137,098	3,220,000	2,861,269	-	43,022
2024 - 2028	2,397,710	303,120	4,730,000	2,023,600	124,161	211,727
2029 - 2033	-	-	5,860,000	996,400	237,013	191,237
2034 - 2038	-	-	1,345,000	53,800	261,918	166,331
2039 - 2043	-	-	-	-	289,440	138,809
2044 - 2048	-	-	-	-	319,854	108,395
2049 - 2053	-	-	-	-	353,464	74,785
2054 - 2058	-	-	-	-	6,150,605	2,048,304
2059 - 2060	-	-	-	-	142,617	3,811
	<u>\$ 4,924,317</u>	<u>\$ 1,154,375</u>	<u>\$ 17,265,000</u>	<u>\$ 8,691,107</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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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	\$ 12,237,902
Judicial	361,993
Public safety	136,059
Housing and Development	136,399
	<u>\$ 12,872,353</u>

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

**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.

**Plan Membership**

Retirees, beneficiaries and disabled receiving benefits	91
Terminated plan members entitled to but not receiving benefits	125
Active plan members	173
 Total	 389

Covered compensation for active participants	\$ 7,788,152
--	--------------

**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 \$1,776,367 and its actual contribution was \$1,789,897, or 101% of the required contribution and 22.98% of the covered compensation. The County paid its contribution during December 2017, so the County reported no payable and the plan reported no receivable for amounts due for the 2017 plan year.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

**Net Pension Liability**

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2017 and the *net pension liability* was measured as of the same date. The December 31, 2017 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 based on an analysis by the Board of Trustees in 2016

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

<u>Age</u>	<u>Salary increase</u>
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 to 2017

**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>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

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%

The Plan used a 7.25% discount rate to calculate the beginning and ending total pension liability, which is a reduction from the 7.50% discount rate used for all periods before December 31, 2016. 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:

	<u>Discount Rate Sensitivity Analysis</u>	
	6.25%	8.25%
Total Pension Liability	\$ 31,105,392	\$ 24,464,119
Fiduciary Net Position	<u>19,988,183</u>	<u>19,988,183</u>
Net Pension Liability	<u>\$ 11,117,209</u>	<u>\$ 4,475,936</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

**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	\$ 25,973,948	\$ 16,826,917	\$ 9,147,031
Changes during the plan year:			
Service cost	658,214	-	658,214
Interest on total pension liability	1,842,908	-	1,842,908
Liability experience (gain)/loss	64,686	-	64,686
Assumption change	58,794	-	58,794
Employer contributions	-	1,789,897	(1,789,897)
Net investment income	-	2,597,610	(2,597,610)
Benefit payments	(1,109,036)	(1,109,036)	-
Administrative expenses	-	(39,969)	39,969
Other expense	-	(77,236)	77,236
Net change	<u>1,515,566</u>	<u>3,161,266</u>	<u>(1,645,700)</u>
End of year	<u>\$ 27,489,514</u>	<u>\$ 19,988,183</u>	<u>\$ 7,501,331</u>

**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	\$ 1,789,897
Change in net pension liability	(1,645,700)
Deferred inflow related to investment results	1,395,108
Deferred outflow related to change in assumptions	(58,794)
Deferred outflow related to experience gain	(64,686)
Amortization of deferred inflows	(144,290)
Amortization of deferred outflows	<u>308,917</u>
Pension expense	<u>\$ 1,580,452</u>

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 50,624	\$ 470,317
Change of assumptions	1,117,014	-
Net difference between projected and actual earnings on Plan investments	<u>-</u>	<u>619,776</u>
	<u>\$ 1,167,638</u>	<u>\$ 1,090,093</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

The County made its pension contribution for the 2017 plan year (calendar year 2017) in December 2017. 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>
2019	\$ (104,963)	\$ 294,855	\$ (25,265)	\$ 164,627
2020	(104,963)	294,855	(54,775)	135,117
2021	(104,963)	294,855	(260,717)	(70,825)
2022	(104,804)	232,449	(279,019)	(151,374)
2023	-	-	-	-
	<u>\$ (419,693)</u>	<u>\$ 1,117,014</u>	<u>\$ (619,776)</u>	<u>\$ 77,545</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.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 9: Retirement Benefits, continued**

**Component Unit**

Oconee County Board of Health participates in the Employees' Retirement System of Georgia (ERS). At June 30, 2018, the Oconee Board of Health reported a liability of \$559,165 for its proportionate share of the net pension liability. For more information, refer to the footnotes of the Oconee County Board of Health's financial statements.

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

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year. This statement requires that the County record an estimate of its liability under its retiree health plan based on an actuarial valuation.

**Plan Description**

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 (employed prior to January 1, 2018) who remain insured by the County's health plan throughout their employment with the County through at least age 60 provided that the employee has at least 10 years of service. The plan is a single-employer defined-benefit other post-employment benefit (OPEB) plan administered by the County. The plan is closed to new entrants and employees must have been employed prior to January 1, 2018 to be eligible to participate in the plan. 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 allows eligible former employees to continue to participate in the County's health insurance plan until they become eligible for Medicare and pays an amount equal to the cost of a Medicare Supplement Premium toward the retiree's health benefit. The difference between the cost of the health benefit, on a composite (non-age adjusted basis) and the County's contribution is paid by the retiree. The County around \$230 per month towards a retiree's Medicare supplement premium after the retiree becomes eligible for Medicare. Dependent cost is the responsibility of the retiree, but neither retirees nor current employees contribute toward the plan.

During the year, expenditures of \$143,764 were recognized for retiree health care and Medicare supplements.

**Employees Covered**

The County has the following participants in its plan:

**Participants**

Retired participants	63
Active participants	222
	285
Total participants	285

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Total OPEB Liability**

The County's total OPEB liability was measured as of June 30, 2018 based on an actuarial valuation as of the same date. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Mortality	RP-2000 projected with Scale AA to 2018. This assumption is based on the same assumption used by the most recent pension valuation.
Salary increases	4.75% per year
Medical cost trend rate	Cost increases at 8% with annual decline to 5% by 2025 for pre-65 benefits. Post-65 premiums assumed to increase at 5% per year.
Expected utilization of benefit	65%
Discount rate	3.87%, based on the GO Bond Buyer Index rates for 20-year Aa rated municipal bonds.
Retiree share of costs	Retirees younger than 65 will pay the difference between the health insurance rate for current employees at the time and the amount that the County contributes for a Medicare Supplement policy for retirees older than 65. The retiree share of costs are paid directly by the retiree and are not accounted for as part of the plan.

The actuarial assumptions used are based on a February 2014 experience study.

**Changes in the Total OPEB Liability**

The following schedule reconciles the beginning and ending Total OPEB Liability for the year:

	<b>Total OPEB Liability</b>
Beginning balance	\$ 5,483,165
Service cost	236,374
Interest expense	209,441
Benefits paid	<u>(143,764)</u>
Ending balance	<u>\$ 5,785,216</u>

Because the County funds its OPEB obligations on a pay-as-you-go basis, there are no assets set aside in an irrevocable trust to fund the OPEB obligations as they come due. Accordingly, the County reports a Total OPEB Liability rather than a Net OPEB Liability.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

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

**Sensitivity of the Total OPEB to Changes in the Discount Rate and the Healthcare Cost Trend Rate**

The County's Total OPEB Liability and the effect of a one percentage point decrease and increase in the assumed discount rate as follows:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>2.87%</b>	<b>3.87%</b>	<b>4.87%</b>
Total OPEB Liability	\$ 6,636,290	\$ 5,785,216	\$ 5,089,523

The County's Total OPEB Liability and the effect of a one percentage point decrease and increase in the assumed healthcare cost trend rate as follows:

	<b>Healthcare Cost</b>		
	<b>1% Decrease</b>	<b>Trend Rates</b>	<b>1% Increase</b>
	<b>7% to 4%,</b>	<b>8% to 5%,</b>	<b>9% to 5%,</b>
	<b>4% Post-65</b>	<b>5% Post-65</b>	<b>5% Post-65</b>
Total OPEB Liability	\$ 5,785,218	\$ 5,785,216	\$ 6,722,829

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For this year, the County recognized OPEB expense in its governmental activities in the government-wide statement of activities and in its business-type funds of \$445,817. The County reported no deferred outflows or deferred inflows of resources related to OPEB. Because of this, the County has no projection of the effect of any amortization in future periods. When the County reports a deferred outflow or inflow due to a change in assumptions or differences between actual and expected experience, those deferred items will be amortized into OPEB expense over a closed period equal to the estimate future remaining service of plan participants. Any differences between actual and expected investment performance, if the County were to set aside assets to fund OPEB, would be amortized over a closed five-year period.

**Component Unit**

Oconee County Board of Health is a participant in two State sponsored OPEB plans. At June 30, 2018, the Oconee Board of Health reported a liability of \$470,006 for its proportionate share of the OPEB liability. For more information, refer to the footnotes of the Oconee County Board of Health's financial statements.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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 is defined as the sum of closure plus post closure plus corrective action care cost. The annual post-closure care costs are estimated at \$30,851. The 30-year post closure cost estimate is \$925,534. Therefore, the total financial assurance required is \$1,226,436.

**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.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**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: Deficit Fund Balance and Net Position**

The County reported deficit fund balance in the Multiple Grant Fund in the amount of \$12,600. The deficit was a result of the revenue recognition of a grant received.

The County reported deficit net position of the Solid Waste Fund in the amount of \$18,922. The deficit is a result of year end accruals and will be funded by a transfer from the General Fund.

**Note 17: Implementation of Newly Effective OPEB Accounting Standard**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* became effective for the County and the County implemented the standard as of July 1, 2017. The implementation of this standard resulted in the County removing the OPEB obligation as of June 30, 2017 of \$220,816 and recording the total OPEB liability of \$5,483,165 as of July 1, 2017 as determined by the actuarial firm hired by the County. This results in the County decreasing its total unrestricted beginning net position by \$5,282,348. The allocation of the change in beginning net position among the County's activities are:

	<u>Governmental Activities</u>	<u>Water &amp; Sewer Fund</u>	<u>Non-Major Business-Type Activities</u>	<u>Total Business-Type Activities</u>
Beginning Total OPEB Liability	\$ (4,856,439)	\$ (478,680)	\$ (148,045)	\$ (626,725)
Write-off prior year OPEB obligation	<u>220,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in beginning net position	<u>\$ (4,635,623)</u>	<u>\$ (478,680)</u>	<u>\$ (148,045)</u>	<u>\$ (626,725)</u>

The implementation had no effect on the beginning fund balance nor the current period expenditures for the governmental fund financial statements.

The County's accounting policy called for an actuarial valuation of the OPEB to be done every 3 years when the County accounted for its OPEB plan under the previous accounting standards. Based on the actuarially required contribution calculated in the most recent actuarial valuation, the County determined what its current OPEB expense would have been had the new standard not been implemented. The implementation of GASB Statement No. 75 changed the OPEB expense that would have been reported in the County's governmental activities in the statement of activities and in the fund level business-type activities as follows:

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2018**

**Note 17: Implementation of Newly Effective OPEB Accounting Standard, continued**

	<u>Governmental Activities</u>	<u>Water &amp; Sewer Fund</u>	<u>Non-Major Business-Type Activities</u>	<u>Total Business-Type Activities</u>
OPEB expense, as reported	\$ 394,860	\$ 38,920	\$ 12,037	\$ 50,957
Pro forma OPEB expense that would have been reported under GASB Stmt. No. 45	<u>(284,662)</u>	<u>(26,005)</u>	<u>(8,506)</u>	<u>(34,511)</u>
Difference	<u>\$ 110,198</u>	<u>\$ 12,915</u>	<u>\$ 3,531</u>	<u>\$ 16,446</u>

Changes in the concepts used under GASB Statement No. 75 from previous generally accepted accounting principles preclude the County from determining what the OPEB expense would have been in the prior year had the guidance in GASB Statement No. 75 been implemented then.



## **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>	<b>Year Ended June 30,</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Total Pension Liability - beginning of year	\$ 20,916,657	\$ 22,193,423	\$ 24,418,791	\$ 25,973,948
Service cost	662,925	660,206	654,950	658,214
Interest on total pension liability	1,534,234	1,630,194	1,790,320	1,842,908
Assumption change	-	945,358	833,028	58,794
Benefit payments (adjusted for interest)	(920,393)	(914,999)	(1,095,712)	(1,109,036)
Liability experience (gain) / loss	-	(95,391)	(627,429)	64,686
<b>Total Pension Liability - end of year</b>	<b>22,193,423</b>	<b>24,418,791</b>	<b>25,973,948</b>	<b>27,489,514</b>
<b>Changes in Fiduciary Net Position</b>				
Fiduciary Net Position - beginning of year	12,912,277	14,530,746	15,273,164	16,826,918
Employer contributions	1,781,612	1,716,341	1,732,389	1,789,897
Net investment income	849,702	152,431	1,029,641	2,597,610
Benefit payments	(920,393)	(914,999)	(1,095,712)	(1,109,036)
Administrative expense	(41,842)	(44,145)	(44,504)	(39,969)
Other	(50,610)	(167,210)	(68,060)	(77,237)
<b>Fiduciary Net Position - end of year</b>	<b>14,530,746</b>	<b>15,273,164</b>	<b>16,826,918</b>	<b>19,988,183</b>
<b>Net Pension Liability</b>	<b>\$ 7,662,677</b>	<b>\$ 9,145,627</b>	<b>\$ 9,147,030</b>	<b>\$ 7,501,331</b>
Plan Fiduciary Net Position as a % of Total Pension	65.47%	62.55%	64.78%	72.71%
Covered payroll	\$ 8,409,345	\$ 8,439,900	\$ 7,986,368	\$ 7,788,152
Net Pension Liability as % of Covered Payroll	91.12%	108.36%	114.53%	96.32%

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>Actuarially Determined Contribution</b>	<b>Contributions in Relation to Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as Percentage of Covered Payroll</b>
2018	\$ 1,776,367	\$ 1,789,897	\$ (13,530)	\$ 7,788,152	22.98%
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 Supplementary Information**  
**Schedule of Changes in the County's Total OPEB Liability and Related Ratios**

	Year Ended June 30, <b>2018</b>
Total OPEB Liability - beginning of year	\$ 5,483,165
Service cost	236,374
Interest on total OPEB liability	209,441
Benefit payments	(143,764)
Total OPEB Liability - end of year	\$ 5,785,216
Covered-employee payroll	\$ 9,661,589
Total OPEB Liability as % of Covered-Employee Payroll	59.88%

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

The County pays the benefits of its OPEB plan on a pay-as-you-go basis. There is no actuarially determined contribution to the plan and the County's contributions are not statutorily or contractually established. Rather, the County pays the cost of the retiree benefits as the costs for these benefits come due. Therefore, the County does not have the necessary information to provide a comparison between its actual contribution and any actuarially, statutorily or contractually determined contribution and the comparison required by GASB Statement No. 75 is not presented.

**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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 23,247,535	\$ 23,655,860	\$ 23,604,653	\$ (51,207)
Licenses and permits	711,697	711,697	843,434	131,737
Intergovernmental revenue	75,000	690,730	711,091	20,361
Charges for services	2,469,242	2,469,242	2,652,279	183,037
Fines and forfeitures	331,981	331,981	496,027	164,046
Investment income	25,933	25,933	91,626	65,693
Contributions and donations	-	-	210	210
Miscellaneous	66,067	66,067	99,439	33,372
<b>Total revenues</b>	<u>26,927,455</u>	<u>27,951,510</u>	<u>28,498,759</u>	<u>547,249</u>
<b>EXPENDITURES</b>				
<b>Department level:</b>				
Commission	557,059	712,058	690,239	21,819
Administration	407,993	497,994	497,083	911
Human resources	489,305	509,306	507,501	1,805
Finance	698,593	698,593	600,288	98,305
Law enforcement	3,817,329	3,874,729	3,784,955	89,774
Jail	2,601,264	2,887,164	2,801,676	85,488
Tax commissioner	489,603	531,503	527,738	3,765
Probate court	505,081	522,880	514,056	8,824
Clerk of courts	832,971	882,671	868,602	14,069
Juvenile court	96,705	108,305	103,391	4,914
Superior court	454,388	475,073	447,393	27,680
District attorney	28,500	31,835	30,473	1,362
Magistrate court	88,350	88,350	78,465	9,885
Coroner	26,551	34,651	31,981	2,670
Tax assessor	633,097	677,448	676,340	1,108
Board of elections	263,566	267,066	265,876	1,190
Public works	2,406,480	3,489,591	3,365,393	124,198
Parks and recreation	2,828,829	2,817,729	2,633,773	183,956
Operations	1,658,622	1,678,621	1,505,568	173,053
Public safety	1,361,793	2,311,054	2,242,942	68,112
Code enforcement	920,963	891,436	788,797	102,639
Information technology	745,943	745,943	725,645	20,298
Community development	1,447,818	1,434,217	1,402,634	31,583
Joint governmental programs	991,546	993,196	968,129	25,067
<b>Total expenditures</b>	<u>24,352,349</u>	<u>27,161,413</u>	<u>26,058,938</u>	<u>1,102,475</u>
Excess of revenues over expenditures	2,575,106	790,097	2,439,821	1,649,724
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of capital asset dispositions	-	1,800,000	1,823,035	23,035
Transfers in	16,500	353,700	353,646	(54)
Transfers (out)	(2,591,606)	(2,943,797)	(1,877,574)	1,066,223
<b>Total other financing sources (uses)</b>	<u>(2,575,106)</u>	<u>(790,097)</u>	<u>299,107</u>	<u>1,089,204</u>
<b>Net change in fund balances</b>	-	-	2,738,928	2,738,928
<b>Fund balance - beginning</b>	11,061,520	11,061,520	11,061,520	-
<b>Fund balances - ending</b>	<u>\$ 11,061,520</u>	<u>\$ 11,061,520</u>	<u>\$ 13,800,448</u>	<u>\$ 2,738,928</u>

**Oconee County, Georgia**  
**Reconciliation of Budget Expenditures by Department to**  
**GAAP Basis Budget - General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 557,059	\$ 712,058	\$ 690,239	\$ 21,819
Administration	407,993	497,994	497,083	911
Human resources	489,305	509,306	507,501	1,805
Finance	698,593	698,593	600,288	98,305
Board of elections	263,566	267,066	265,876	1,190
Information technology	745,943	745,943	725,645	20,298
Tax commissioner	489,603	531,503	527,738	3,765
Tax assessor	633,097	677,448	676,340	1,108
Operations	1,137,515	1,157,516	995,689	161,827
Superior court - Board of equalization	5,000	6,625	6,092	533
Judicial:				
Superior court	449,388	468,448	441,301	27,147
Clerk of courts	832,971	882,671	868,602	14,069
District attorney	28,500	31,835	30,473	1,362
Magistrate court	88,350	88,350	78,465	9,885
Probate court	505,081	522,880	514,056	8,824
Juvenile court	96,705	108,305	103,391	4,914
Public safety:				
Law enforcement	3,817,329	3,874,729	3,784,955	89,774
Jail	2,601,264	2,887,164	2,801,676	85,488
Public safety	1,361,793	2,311,054	2,242,942	68,112
Coroner	26,551	34,651	31,981	2,670
Public works:				
Public works	2,406,480	3,489,591	3,365,393	124,198
County facilities	521,107	521,105	509,879	11,226
Health and welfare:				
Joint gov't programs-health and welfare	309,250	310,900	310,862	38
Culture and recreation:				
Parks and recreation	2,828,829	2,817,729	2,633,773	183,956
Joint gov't program-library	507,553	507,553	500,387	7,166
Housing and development:				
Community development	219,360	205,759	174,232	31,527
Joint gov't program-development	174,743	174,743	156,880	17,863
Code enforcement	920,963	891,436	788,797	102,639
Total current expenditures	<u>23,123,891</u>	<u>25,932,955</u>	<u>24,830,536</u>	<u>1,102,419</u>
Debt service:				
Principal payments:				
Community development	870,000	870,000	870,000	-
Total principal payments	<u>870,000</u>	<u>870,000</u>	<u>870,000</u>	<u>-</u>
Interest payments:				
Community development	358,458	358,458	358,402	56
Total interest payments	<u>358,458</u>	<u>358,458</u>	<u>358,402</u>	<u>56</u>
Total debt service	<u>1,228,458</u>	<u>1,228,458</u>	<u>1,228,402</u>	<u>56</u>
Total expenditures by department	<u>\$24,352,349</u>	<u>\$27,161,413</u>	<u>\$ 26,058,938</u>	<u>\$ 1,102,475</u>

**Oconee County, Georgia**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**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	5.00%
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 based on an analysis performed during 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. The RP-2000 mortality table was projected with Scale AA to 2016 figures in 2016 and then was updated to 2017 figures in 2017. 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.

**Oconee County, Georgia**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**Related to the OPEB Data**

**NOTE E: OPEB - ASSETS NOT IN A TRUST**

The County's OPEB plan is described in Note 10 to the financial statements. The County's OPEB plan is operated on a pay-as-you-go basis and there are no assets accumulated in a trust with which the County could pay the promised benefits to its current or future retirees.

**Related to the Budget to Actual Comparison**

**NOTE F: BASIS OF PRESENTATION**

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



# 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, 2018**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 1,105,481	\$ 2,295,359	\$ 3,400,840
Investments, plus accrued interest	685,476	3,240,745	3,926,221
Accounts receivable, net	163,132	-	163,132
Taxes receivable, net	955	-	955
Internal balances	360,708	72,582	433,290
Due from other governments	177,780	-	177,780
Prepaid items	11,193	-	11,193
<b>Total assets</b>	<b>\$ 2,504,725</b>	<b>\$ 5,608,686</b>	<b>\$ 8,113,411</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 206,576	\$ 346,508	\$ 553,084
Retainage payable	-	65,364	65,364
Internal balances	160,330	555,942	716,272
Salaries and benefits payable	42,610	-	42,610
<b>Total liabilities</b>	<b>409,516</b>	<b>967,814</b>	<b>1,377,330</b>
Deferred inflows of resources:			
Unavailable property taxes	791	-	791
Unavailable grant reimbursements	12,600	-	12,600
<b>Total deferred inflows</b>	<b>13,391</b>	<b>-</b>	<b>13,391</b>
Fund balances:			
Nonspendable	11,193	-	11,193
Restricted			
Capital projects	193,088	4,640,872	4,833,960
Judicial	373,770	-	373,770
Public safety	247,863	-	247,863
Public works	374	-	374
Culture and recreation	3,757	-	3,757
Housing and development	146,216	-	146,216
Assigned			
Health and welfare	219,920	-	219,920
Housing and development	904,036	-	904,036
Unassigned	(18,399)	-	(18,399)
<b>Total fund balances</b>	<b>2,081,818</b>	<b>4,640,872</b>	<b>6,722,690</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 2,504,725</b>	<b>\$ 5,608,686</b>	<b>\$ 8,113,411</b>

**Oconee County, Georgia**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	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	\$ 249,830	\$144,919	\$ 20,634	\$ 90,429	\$ 144,893	\$ 233,432	\$ -	\$ -	\$ 49	\$ -	221,295	\$ 1,105,481
Investments, plus accrued interest	-	-	-	-	-	-	-	-	-	-	685,476	685,476
Accounts receivable, net	45,737	-	-	-	46	-	101,665	-	-	15,684	-	163,132
Taxes receivable, net	-	-	-	-	-	-	-	-	955	-	-	955
Internal balances	-	-	-	-	25,682	-	-	-	18,421	316,605	-	360,708
Due from other governments	-	-	-	-	-	153,055	-	24,725	-	-	-	177,780
Prepaid items	2,248	-	3,146	-	-	-	5,335	-	-	464	-	11,193
<b>Total assets</b>	<b>\$ 297,815</b>	<b>\$144,919</b>	<b>\$ 23,780</b>	<b>\$ 90,429</b>	<b>\$ 170,621</b>	<b>\$ 386,487</b>	<b>\$ 107,000</b>	<b>\$ 24,725</b>	<b>\$ 19,425</b>	<b>\$ 332,753</b>	<b>\$ 906,771</b>	<b>\$ 2,504,725</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	\$ 1,661	\$ -	\$ -	\$ -	\$ 2,812	\$ 166,326	\$ 14,361	\$ -	\$ 18,634	\$ 47	2,735	\$ 206,576
Internal balances	64,603	3,087	-	-	5,284	-	62,631	24,725	-	-	-	160,330
Salaries and benefits payable	9,383	-	-	-	-	-	30,008	-	-	3,219	-	42,610
<b>Total liabilities</b>	<b>75,647</b>	<b>3,087</b>	<b>-</b>	<b>-</b>	<b>8,096</b>	<b>166,326</b>	<b>107,000</b>	<b>24,725</b>	<b>18,634</b>	<b>3,266</b>	<b>2,735</b>	<b>409,516</b>
Deferred inflows of resources:												
Unavailable property taxes	-	-	-	-	-	-	-	-	791	-	-	791
Unavailable grant reimbursements	-	-	-	-	-	-	-	12,600	-	-	-	12,600
<b>Total deferred inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,600</b>	<b>791</b>	<b>-</b>	<b>-</b>	<b>13,391</b>
Fund balances:												
Nonspendable	2,248	-	3,146	-	-	-	5,335	-	-	464	-	11,193
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	193,088	-	193,088
Judicial	-	141,832	-	-	11,777	220,161	-	-	-	-	-	373,770
Public safety	-	-	20,634	90,429	136,800	-	-	-	-	-	-	247,863
Public works	-	-	-	-	374	-	-	-	-	-	-	374
Culture and recreation	-	-	-	-	3,757	-	-	-	-	-	-	3,757
Housing and development	-	-	-	-	9,817	-	-	-	-	136,399	-	146,216
Assigned												
Health and welfare	219,920	-	-	-	-	-	-	-	-	-	-	219,920
Housing and development	-	-	-	-	-	-	-	-	-	-	904,036	904,036
Unassigned	-	-	-	-	-	-	(5,335)	(12,600)	-	(464)	-	(18,399)
<b>Total fund balances</b>	<b>222,168</b>	<b>141,832</b>	<b>23,780</b>	<b>90,429</b>	<b>162,525</b>	<b>220,161</b>	<b>-</b>	<b>(12,600)</b>	<b>-</b>	<b>329,487</b>	<b>904,036</b>	<b>2,081,818</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 297,815</b>	<b>\$144,919</b>	<b>\$ 23,780</b>	<b>\$ 90,429</b>	<b>\$ 170,621</b>	<b>\$ 386,487</b>	<b>\$ 107,000</b>	<b>\$ 24,725</b>	<b>\$ 19,425</b>	<b>\$ 332,753</b>	<b>\$ 906,771</b>	<b>\$ 2,504,725</b>

**Oconee County, Georgia**  
**Nonmajor Governmental Funds - Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2018**

	<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	\$ 76,188	\$ 1,776,084	\$ -	443,087	\$ 2,295,359
Investments	3,240,745	-	-	-	3,240,745
Internal balances			72,582	-	72,582
<b>Total assets</b>	<u>\$ 3,316,933</u>	<u>\$ 1,776,084</u>	<u>\$ 72,582</u>	<u>\$ 443,087</u>	<u>\$ 5,608,686</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,890	\$ 272,036	\$ 72,582	-	\$ 346,508
Retainage payable	-	65,364	-	-	65,364
Internal balances	-	555,942	-	-	555,942
<b>Total liabilities</b>	<u>1,890</u>	<u>893,342</u>	<u>72,582</u>	<u>-</u>	<u>967,814</u>
Fund balances:					
Restricted					
Capital projects	3,315,043	882,742	-	443,087	4,640,872
<b>Total fund balances</b>	<u>3,315,043</u>	<u>882,742</u>	<u>-</u>	<u>443,087</u>	<u>4,640,872</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,316,933</u>	<u>\$ 1,776,084</u>	<u>\$ 72,582</u>	<u>\$ 443,087</u>	<u>\$ 5,608,686</u>

**Oconee County, Georgia**  
**All Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 171,592	\$ -	\$ 171,592
Intergovernmental revenue	700,517	-	700,517
Charges for services	1,116,859	-	1,116,859
Fines and forfeitures	78,132	-	78,132
Investment income	3,177	45,626	48,803
Contributions and donations	90,205	-	90,205
Miscellaneous	29,729	-	29,729
<b>Total revenues</b>	<b>2,190,211</b>	<b>45,626</b>	<b>2,235,837</b>
<b>EXPENDITURES</b>			
Current:			
General government	3,896	-	3,896
Judicial	562,640	-	562,640
Public safety	1,885,518	-	1,885,518
Public works	225,950	-	225,950
Health and welfare	567,161	-	567,161
Culture and recreation	73,252	-	73,252
Housing and development	188,432	-	188,432
Debt service:			
Principal payments	12,508	-	12,508
Interest and fiscal charges	2,052	-	2,052
Capital outlay			
General government	-	170,719	170,719
Public safety	-	892,294	892,294
Public works	-	254,852	254,852
Culture and recreation	-	12,563	12,563
Housing and development	-	64,553	64,553
<b>Total expenditures</b>	<b>3,521,409</b>	<b>1,394,981</b>	<b>4,916,390</b>
Deficiency of revenues under expenditures	(1,331,198)	(1,349,355)	(2,680,553)
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Proceeds from long-term debt	257,129	-	257,129
Transfers in	1,331,298	390,687	1,721,985
Transfers (out)	(22,700)	(1,436,320)	(1,459,020)
<b>Total other financing sources (uses)</b>	<b>1,565,727</b>	<b>(1,045,633)</b>	<b>520,094</b>
<b>Change in fund balances</b>	<b>234,529</b>	<b>(2,394,988)</b>	<b>(2,160,459)</b>
<b>Fund balances - beginning</b>	<b>1,847,289</b>	<b>7,035,860</b>	<b>8,883,149</b>
<b>Fund balances - ending</b>	<b>\$ 2,081,818</b>	<b>\$ 4,640,872</b>	<b>\$ 6,722,690</b>

**Oconee County, Georgia**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2018**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,592	\$ -	\$ 171,592
Intergovernmental revenue	174,704	-	-	-	-	457,248	-	68,565	-	-	-	700,517
Charges for services	-	-	-	-	38,229	-	735,782	-	200,463	-	142,385	1,116,859
Fines and forfeitures	-	24,273	4,301	20,711	-	28,847	-	-	-	-	-	78,132
Investment income	47	131	3	-	130	-	-	-	-	-	2,866	3,177
Contributions and donations	-	-	12,164	-	78,041	-	-	-	-	-	-	90,205
Miscellaneous	29,729	-	-	-	-	-	-	-	-	-	-	29,729
<b>Total revenues</b>	<b>204,480</b>	<b>24,404</b>	<b>16,468</b>	<b>20,711</b>	<b>116,400</b>	<b>486,095</b>	<b>735,782</b>	<b>68,565</b>	<b>200,463</b>	<b>171,592</b>	<b>145,251</b>	<b>2,190,211</b>
<b>EXPENDITURES</b>												
Current:												
General government	-	-	-	-	3,896	-	-	-	-	-	-	3,896
Judicial	-	4,784	-	-	15,749	542,107	-	-	-	-	-	562,640
Public safety	-	-	14,907	-	82,157	-	1,755,789	32,665	-	-	-	1,885,518
Public works	-	-	-	-	1,546	-	-	-	224,404	-	-	225,950
Health and welfare	518,661	-	-	-	-	-	-	48,500	-	-	-	567,161
Culture and recreation	-	-	-	-	73,252	-	-	-	-	-	-	73,252
Housing and development	-	-	-	-	-	-	-	-	-	149,825	38,607	188,432
Debt service:												
Principal payments	-	-	-	-	-	-	12,508	-	-	-	-	12,508
Interest and fiscal charges	-	-	-	-	-	-	2,052	-	-	-	-	2,052
<b>Total expenditures</b>	<b>518,661</b>	<b>4,784</b>	<b>14,907</b>	<b>-</b>	<b>176,600</b>	<b>542,107</b>	<b>1,770,349</b>	<b>81,165</b>	<b>224,404</b>	<b>149,825</b>	<b>38,607</b>	<b>3,521,409</b>
Excess (deficiency) of revenues over (under) expenditures	(314,181)	19,620	1,561	20,711	(60,200)	(56,012)	(1,034,567)	(12,600)	(23,941)	21,767	106,644	(1,331,198)
<b>OTHER FINANCING SOURCES (USES)</b>												
Proceeds from long-term debt	364,175	-	-	-	19,480	132,700	257,129	-	23,941	13,564	-	257,129
Transfers in	-	-	-	(8,000)	(14,700)	-	777,438	-	-	-	-	1,331,298
Transfers (out)	-	-	-	(8,000)	4,780	132,700	(1,034,567)	-	23,941	13,564	-	(22,700)
<b>Total other financing sources (uses)</b>	<b>364,175</b>	<b>-</b>	<b>-</b>	<b>(8,000)</b>	<b>4,780</b>	<b>132,700</b>	<b>1,034,567</b>	<b>-</b>	<b>23,941</b>	<b>13,564</b>	<b>-</b>	<b>1,565,727</b>
<b>Net change in fund balances</b>	<b>49,994</b>	<b>19,620</b>	<b>1,561</b>	<b>12,711</b>	<b>(55,420)</b>	<b>76,688</b>	<b>-</b>	<b>(12,600)</b>	<b>-</b>	<b>35,331</b>	<b>106,644</b>	<b>234,529</b>
<b>Fund balances - beginning</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>Fund balances - ending</b>	<b>\$ 222,168</b>	<b>\$ 141,832</b>	<b>\$ 23,780</b>	<b>\$ 90,429</b>	<b>\$ 162,525</b>	<b>\$ 220,161</b>	<b>\$ -</b>	<b>\$ (12,600)</b>	<b>\$ -</b>	<b>\$ 329,487</b>	<b>\$ 904,036</b>	<b>\$ 2,081,818</b>

**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, 2018**

	SPLOST 2004 Fund	SPLOST 2009 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Parkway Blvd Fund	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
Investment income	\$ 44,190	\$ 1,436	\$ -	\$ -	45,626
<b>Total revenues</b>	<u>44,190</u>	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>45,626</u>
<b>EXPENDITURES</b>					
Capital outlay					
General government	130,503	-	40,216	-	170,719
Public safety	-	809,238	83,056	-	892,294
Public works	-	-	254,852	-	254,852
Culture and recreation	-	-	12,563	-	12,563
Housing and development	-	-	-	64,553	64,553
<b>Total expenditures</b>	<u>130,503</u>	<u>809,238</u>	<u>390,687</u>	<u>64,553</u>	<u>1,394,981</u>
Deficiency of revenues under expenditures	(86,313)	(807,802)	(390,687)	(64,553)	(1,349,355)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	390,687	-	390,687
Transfers (out)	-	(1,436,320)	-	-	(1,436,320)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(1,436,320)</u>	<u>390,687</u>	<u>-</u>	<u>(1,045,633)</u>
<b>Net change in fund balances</b>	(86,313)	(2,244,122)	-	(64,553)	(2,394,988)
<b>Fund balances - beginning</b>	3,401,356	3,126,864	-	507,640	7,035,860
<b>Fund balances - ending</b>	<u>\$ 3,315,043</u>	<u>\$ 882,742</u>	<u>\$ -</u>	<u>\$ 443,087</u>	<u>\$ 4,640,872</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, 2018**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,581	\$ -	\$ 1,581
Accounts receivable, net	14,847	3,160	18,007
Prepaid items	1,282	2,063	3,345
Total current assets	<u>17,710</u>	<u>5,223</u>	<u>22,933</u>
Noncurrent assets:			
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	39,358	1,435,135	1,474,493
Total capital assets	<u>164,358</u>	<u>1,460,135</u>	<u>1,624,493</u>
<b>Total assets</b>	<u>182,068</u>	<u>1,465,358</u>	<u>1,647,426</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pensions	3,517	16,869	20,386
<b>Total assets and deferred outflows</b>	<u>185,585</u>	<u>1,482,227</u>	<u>1,667,812</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	46,306	13,147	59,453
Salaries and benefits payable	5,144	8,517	13,661
Total current liabilities	<u>51,450</u>	<u>21,664</u>	<u>73,114</u>
Noncurrent liabilities:			
Compensated absences	8,848	22,722	31,570
Net pension liability	78,448	230,192	308,640
OPEB liability	62,480	93,720	156,200
Total noncurrent liabilities	<u>149,776</u>	<u>346,634</u>	<u>496,410</u>
<b>Total liabilities</b>	<u>201,226</u>	<u>368,298</u>	<u>569,524</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions	3,281	15,748	19,029
<b>Total liabilities and deferred inflows</b>	<u>204,507</u>	<u>384,046</u>	<u>588,553</u>
<b>NET POSITION</b>			
Net investment in capital assets	164,358	1,460,135	1,624,493
Unrestricted	(183,280)	(361,954)	(545,234)
<b>Total net position</b>	<u>\$ (18,922)</u>	<u>\$ 1,098,181</u>	<u>\$ 1,079,259</u>

**Oconee County, Georgia**  
**Nonmajor Proprietary Funds**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 222,291	\$ 58,027	\$ 280,318
Licenses and permits	6,000	-	6,000
Rents and royalties	-	117,888	117,888
Miscellaneous	1,000	-	1,000
<b>Total operating revenues</b>	<b>229,291</b>	<b>175,915</b>	<b>405,206</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	161,482	297,632	459,114
Other contracted services	327,256	9,110	336,366
Supplies and materials	17,325	17,005	34,330
Repairs and maintenance	7,030	6,247	13,277
Utilities	10,021	53,988	64,009
Insurance	5,899	3,206	9,105
Depreciation and amortization	1,840	69,432	71,272
Other charges	16,911	18,214	35,125
<b>Total operating expenses</b>	<b>547,764</b>	<b>474,834</b>	<b>1,022,598</b>
<b>Operating loss</b>	<b>(318,473)</b>	<b>(298,919)</b>	<b>(617,392)</b>
<b>NONOPERATING REVENUES</b>			
Intergovernmental revenue	3,447	-	3,447
<b>Total nonoperating revenues</b>	<b>3,447</b>	<b>-</b>	<b>3,447</b>
<b>Loss before contributions and transfers</b>	<b>(315,026)</b>	<b>(298,919)</b>	<b>(613,945)</b>
Transfers in	162,209	-	162,209
Transfers (out)	(420)	(337,146)	(337,566)
<b>Change in net position</b>	<b>(153,237)</b>	<b>(636,065)</b>	<b>(789,302)</b>
<b>Total net position - beginning, as originally reported</b>	<b>193,533</b>	<b>1,823,073</b>	<b>2,016,606</b>
<b>Change in accounting principle (Note 17)</b>	<b>(59,218)</b>	<b>(88,827)</b>	<b>(148,045)</b>
<b>Total net position - beginning, as restated</b>	<b>134,315</b>	<b>1,734,246</b>	<b>1,868,561</b>
<b>Total net position - ending</b>	<b>\$ (18,922)</b>	<b>\$ 1,098,181</b>	<b>\$ 1,079,259</b>

**Oconee County, Georgia**  
**Nonmajor Proprietary Funds**  
**Combining Schedule of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018**

	<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	\$ 217,984	\$ 175,250	\$ 393,234
Payments to suppliers	(368,678)	(113,754)	(482,432)
Payments to employees	(158,799)	(296,314)	(455,113)
Net cash (used) by operating activities	<u>(309,493)</u>	<u>(234,818)</u>	<u>(544,311)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	307,228	241,246	548,474
Transfers (out)	(420)	-	(420)
Net cash provided by noncapital financing activities	<u>306,808</u>	<u>241,246</u>	<u>548,054</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(6,428)	(6,428)
Cash received from grants	3,447	-	3,447
Net cash (used) by capital and related financing activities	<u>3,447</u>	<u>(6,428)</u>	<u>(2,981)</u>
Net change in cash and cash equivalents	762	-	762
Cash - beginning of the year	819	-	819
Cash - end of the year	<u>\$ 1,581</u>	<u>\$ -</u>	<u>\$ 1,581</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (318,473)	\$ (298,919)	\$ (617,392)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	1,840	69,432	71,272
Change in assets and liabilities:			
Receivables, net	(11,307)	(1,217)	(12,524)
Prepaid items	1	6	7
Due from other governments	-	552	552
Accounts payable	15,763	(5,990)	9,773
Accrued expenses	(798)	(3,320)	(4,118)
Compensated absences	849	1,187	2,036
Net change in pension deferrals	4,326	22,333	26,659
Net pension liability	(4,956)	(23,775)	(28,731)
Net OPEB liability	3,262	4,893	8,155
Net cash (used) by operating activities	<u>\$ (309,493)</u>	<u>\$ (234,818)</u>	<u>\$ (544,311)</u>
<b>Non-cash investing, capital and financing activities:</b>			
Interfund balances satisfied through transfers	\$ 145,019	\$ 578,392	\$ 723,411

# **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, 2018**

	<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	\$ 100,670	\$ 17,815	\$ 442,524	\$ 88,305	\$ 91,699	\$ 408	\$ 741,421
<b>Total Assets</b>	<u>\$ 100,670</u>	<u>\$ 17,815</u>	<u>\$ 442,524</u>	<u>\$ 88,305</u>	<u>\$ 91,699</u>	<u>\$ 408</u>	<u>\$ 741,421</u>
<b>LIABILITIES</b>							
Due to others	\$ 100,670	\$ 17,815	\$ 442,524	\$ 88,305	\$ 91,699	\$ 408	\$ 741,421
<b>Total Liabilities</b>	<u>\$ 100,670</u>	<u>\$ 17,815</u>	<u>\$ 442,524</u>	<u>\$ 88,305</u>	<u>\$ 91,699</u>	<u>\$ 408</u>	<u>\$ 741,421</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
<b>TAX COMMISSIONER</b>				
Assets				
Cash	\$ 15,156	\$ 53,082,759	\$ 52,997,245	\$ 100,670
	<u>15,156</u>	<u>53,082,759</u>	<u>52,997,245</u>	<u>100,670</u>
Liabilities				
Due to others	15,156	53,082,759	52,997,245	100,670
	<u>15,156</u>	<u>53,082,759</u>	<u>52,997,245</u>	<u>100,670</u>
<b>SHERIFF</b>				
Assets				
Cash	16,056	73,468	71,709	17,815
	<u>16,056</u>	<u>73,468</u>	<u>71,709</u>	<u>17,815</u>
Liabilities				
Due to others	16,056	73,468	71,709	17,815
	<u>16,056</u>	<u>73,468</u>	<u>71,709</u>	<u>17,815</u>
<b>SUPERIOR COURT</b>				
Assets				
Cash	933,401	1,618,385	2,109,262	442,524
	<u>933,401</u>	<u>1,618,385</u>	<u>2,109,262</u>	<u>442,524</u>
Liabilities				
Due to others	933,401	1,618,385	2,109,262	442,524
	<u>\$ 933,401</u>	<u>\$ 1,618,385</u>	<u>\$ 2,109,262</u>	<u>\$ 442,524</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
<b>PROBATE COURT</b>				
Assets				
Cash	\$ 40,659	\$ 840,375	\$ 792,729	\$ 88,305
	<u>40,659</u>	<u>840,375</u>	<u>792,729</u>	<u>88,305</u>
Liabilities				
Due to others	40,659	840,375	792,729	88,305
	<u>40,659</u>	<u>840,375</u>	<u>792,729</u>	<u>88,305</u>
<b>MAGISTRATE COURT</b>				
Assets				
Cash	83,019	191,737	183,057	91,699
	<u>83,019</u>	<u>191,737</u>	<u>183,057</u>	<u>91,699</u>
Liabilities				
Due to others	83,019	191,737	183,057	91,699
	<u>83,019</u>	<u>191,737</u>	<u>183,057</u>	<u>91,699</u>
<b>JUVENILE COURT</b>				
Assets				
Cash	408	7,442	7,442	408
	<u>408</u>	<u>7,442</u>	<u>7,442</u>	<u>408</u>
Liabilities				
Due to others	408	7,442	7,442	408
	<u>408</u>	<u>7,442</u>	<u>7,442</u>	<u>408</u>
<b>TOTALS</b>				
Assets				
Cash	1,088,699	55,814,166	56,161,444	741,421
	<u>1,088,699</u>	<u>55,814,166</u>	<u>56,161,444</u>	<u>741,421</u>
Liabilities				
Due to others	1,088,699	55,814,166	56,161,444	741,421
	<u>\$ 1,088,699</u>	<u>\$ 55,814,166</u>	<u>\$ 56,161,444</u>	<u>\$ 741,421</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, 2018, 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 28, 2018. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. **2018-001**

### 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*.

## **Oconee County, Georgia's Response to Findings**

Oconee County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Oconee County Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we have reported to management of Oconee County, Georgia in a separate letter dated December 28, 2018.

### **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 28, 2018

**Oconee County, Georgia**  
**Schedule of Findings and Responses**  
**June 30, 2018**

**Material Weakness:**

**2018-001**

- Criteria:** Accounting tasks such as reconciliations play a key role in proving the accuracy of accounting data included in financial statements.
- Condition:** There were unrecorded payables, expenses and capital assets in the Water & Sewer Fund.
- Cause:** The Water & Sewer Fund expenses are generally maintained on the cash basis of accounting throughout the year. Because the external financial statements must be presented on the accrual basis, County staff must record several cash-to-accrual adjustments. The procedures that County staff used to record the year-end adjustments were not adequate to ensure that the cash-to-accrual conversion was complete.
- Effect:** Adjustments were required in the Water & Sewer Fund to increase capital assets, accounts payable, expenses and capital contributions. The proposed audit adjustments resulted in a decrease to operating income in the amount of \$293,337, an increase in interest expense of \$142,861, and an increase to capital contributions of \$336,788. Overall, the proposed audit adjustments resulted in a total increase to net position of \$99,410.
- Recommendation:** We recommend that the accounting staff at Water Resources be assisted by personnel from Finance with year end close out procedures. This includes reviewing the reconciliation of all bank accounts and reviewing of year end accounts payables and retainage payable listings. We further recommend that management consider the advantages of maintaining the Water and Sewer Fund on the accrual basis of accounting throughout the year thus reducing the need to record year-end accrual adjustments.
- Management response:** Management concurs with the finding. The County is currently undergoing a software conversion that will consolidate accounting ledgers, including Water & Sewer Fund. This will allow oversight of the Water & Sewer Fund by the Finance Director and staff. The Finance Department will assist Water Resources with internal procedures and accounting entries.

**Oconee County, Georgia**  
**Schedule of Special Purpose Local Option Sales Tax**  
**For the Fiscal Year Ended June 30, 2018**

	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	<u>4,600,000</u>	<u>4,600,000</u>	<u>1,381,088</u>	<u>130,503</u>	<u>1,511,591</u>	32.86%
<b>Totals</b>	<u><u>\$25,000,000</u></u>	<u><u>\$26,379,005</u></u>	<u><u>\$23,160,093</u></u>	<u><u>\$ 130,503</u></u>	<u><u>\$ 23,290,596</u></u>	
<b>2009 Referendum***</b>						
Recreation facilities - General Obligation Debt Retirement	\$ 4,847,985	\$ 4,053,402	\$ 4,053,402	\$ -	\$ 4,053,402	100.00%
County Jail and Emergency Operation Center-911	6,059,981	5,857,522	5,857,522	-	5,857,522	100.00%
Water & Sewer facilities	6,884,176	4,212,355	2,776,035	1,436,320	4,212,355	100.00%
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	704,456	-	704,456	75.84%
Fire Station Facilities and Equipment	3,939,014	3,293,400	2,000,258	809,238	2,809,496	85.31%
Communication Facilities	3,232,001	3,454,937	3,454,937	-	3,454,937	100.00%
Farmland Protection	504,984	422,216	292,250	-	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	<u>222,200</u>	<u>185,781</u>	<u>185,781</u>	<u>-</u>	<u>185,781</u>	100.00%
<b>Totals</b>	<u><u>\$40,400,000</u></u>	<u><u>\$33,778,345</u></u>	<u><u>\$30,694,469</u></u>	<u><u>\$ 2,245,558</u></u>	<u><u>\$ 32,940,027</u></u>	

**Oconee County, Georgia**  
**Schedule of Special Purpose Local Option Sales Tax**  
**For the Fiscal Year Ended June 30, 2018**

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
<b>2015 Referendum***</b>						
Recreation facilities - General Obligation Debt Retirement	\$ 5,592,000	\$ 5,592,000	\$ 1,151,705	766,235	\$ 1,917,940	34.30%
Water & Sewer facilities	12,100,000	12,100,000	-	589,985	589,985	4.88%
Roads, Streets & Bridges	12,000,000	12,000,000	2,240,355	1,496,452	3,736,807	31.14%
Farmland Protection	500,000	500,000	-	-	-	0.00%
Fire Station and Rescue Facilities and equipment	3,019,500	3,019,500	185,020	42,400	227,420	7.53%
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	259,043	201,681	460,724	23.04%
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	121,947	1,948,976	2,070,923	65.58%
Law Enforcement Facilities and equipment	3,100,000	3,100,000	1,340,303	36,540	1,376,843	44.41%
Technology Facilities	475,000	475,000	154,578	47,337	201,915	42.51%
Payment to Cities						
City of Watkinsville	4,746,500	4,746,500	1,023,422	636,648	1,660,070	34.97%
Town of Bogart	1,496,000	1,496,000	322,561	200,658	523,219	34.97%
Town of North High Shoals	1,089,000	1,089,000	234,806	146,068	380,874	34.97%
Town of Bishop	374,000	374,000	80,641	50,165	130,806	34.97%
<b>Totals</b>	<u>\$55,000,000</u>	<u>\$55,000,000</u>	<u>\$ 7,401,559</u>	6,163,145	<u>\$ 13,564,704</u>	
Principal payment on law enforcement equipment purchased using capital lease				<u>233,212</u>		
Total expenditures and transfers reported in the SPLOST 2015 fund				<u>\$ 6,396,357</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, 2018**

<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	93-181800111	\$ 36,375	\$ 48,500	\$ 12,125

Oconee County Board of Commissioners  
 Certification of 9-1-1 Expenditures  
 For the Year Ended June 30, 2018

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)	
	<u>UMB Wholesale Bank (Sprint/Nextel)</u>		\$ <u>2,314.95</u>
	<u>AT&amp;T Mobility</u>		\$ <u>6,925.88</u>
			\$ <u>-</u>
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	Lease costs	46-5-134(f)(1)(A)	\$ <u>-</u>
3b	Purchase costs	46-5-134(f)(1)(A)	\$ <u>-</u>
3c	Maintenance costs	46-5-134(f)(1)(A)	\$ <u>-</u>
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ <u>147,413.22</u>
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	Salaries and wages	46-5-134(f)(1)(C)	\$ <u>688,320.47</u>
5b	Employee benefits	46-5-134(f)(1)(C)	\$ <u>271,855.98</u>
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ <u>8,634.69</u>
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)	\$ <u>6,878.51</u>
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$ <u>-</u>
8b	Purchase costs	46-5-134(f)(1)(F)	\$ <u>-</u>
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	\$ <u>-</u>
9b	Purchase costs	46-5-134(f)(1)(G)	\$ <u>-</u>
9c	Maintenance costs	46-5-134(f)(1)(G)	\$ <u>-</u>

Oconee County Board of Commissioners  
 Certification of 9-1-1 Expenditures  
 For the Year Ended June 30, 2018

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>      100,844.77</u>
15	Mobile public safety voice and data equipment, geo-targeted test 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>      17,338.17</u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ <u>      257,129.44</u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ <u>      262,693.44</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>

