

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended
June 30, 2019

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2019
Table of Contents

	Exhibit	Page
Independent Auditor's Report		
Management's Discussion and Analysis		I-X
 Basic Financial Statements:		
Statement of Net Position	1	1
Statement of Activities	2	2
Balance Sheet - Governmental Funds	3	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3.1	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4.1	6-7
Statement of Net Position - Proprietary Funds	5	8
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	6	9
Statement of Cash Flows - Proprietary Funds	7	10-11
Statement of Fiduciary Assets and Liabilities	8	12
Notes to the Financial Statements		13-40
	Schedule	Page
 Required Supplementary Information:		
Retirement Plan - Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions	1	41-42
Other Postemployment Benefits - Schedule of Changes in Total OPEB Liability and Related Ratios	2	43
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (by Department) and Actual - General Fund	3	44
Reconciliation of Budget Expenditures by Department to GAAP Basis Budget - General Fund	3.1	45
Notes to Required Supplementary Information		46-47

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2019
TABLE OF CONTENTS

	Schedule	Page
Supplementary Information:		
Governmental Funds:		
Nonmajor Governmental Funds:		
All Nonmajor Governmental Funds - Combining Balance Sheet	4	48
Nonmajor Governmental Funds - Special Revenue Funds - Combining Balance Sheet	5	49
Nonmajor Governmental Funds - Capital Projects Funds Combining Balance Sheet	6	50
All Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	7	51
Nonmajor Governmental Funds - Special Revenue Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	8	52
Nonmajor Governmental Funds - Capital Projects Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	9	53
Nonmajor Proprietary Funds:		
Nonmajor Proprietary Funds - Combining Schedule of Net Position	10	54
Nonmajor Proprietary Funds - Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	11	55
Nonmajor Proprietary Funds - Combining Schedule of Cash Flows	12	56
Fiduciary Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	13	57
Combining Schedule of Changes in Fiduciary Assets and Liabilities	14	58-59
Compliance Section:		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		60-61
Schedule of Findings and Responses		62
Schedule of Special Purpose Local Option Sales Tax	15	63-64
Schedule of State Contractual Assistance	16	65
Certification of 9-1-1 Expenditures		66-68

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Oconee County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia, as of and for the year ended June 30, 2019, 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, 2019, 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 41-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial 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 31, 2019 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 31, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

OCONEE COUNTY, GEORGIA

YEAR ENDED JUNE 30, 2019

OCONEE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

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 fund financial statements show a decrease in fund balance. Still, short term financial liquidity remains a strength of Oconee County. 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, 2019. 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.

Government – Wide Financial Analysis

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2018 and the fiscal year ended June 30, 2019. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ending 2019 shows an increase in the change in net position of \$3.79 million (Table 2) over the previous fiscal year.

Financial Analysis of Oconee County

Program Revenue, General Revenue and Total Revenue

Total program revenues for primary government consist of charges for services, operating grants and contributions, and capital grants and contributions. Program revenues increased from the previous fiscal year. The County received the final reimbursement from the State of Georgia for the Mars Hill Road project in July 2017 thus reducing capital grants and contributions in 2018. Then, in 2019, the County received additional funding from the Georgia Department of Transportation Local Maintenance and Improvement Grant ("LMIG"). In addition to road repair and resurfacing initiatives, the grant contributed \$375,000 to Highway 53 Right-of-Way improvements for Dove Creek Elementary School. The County also received a contribution of \$2.03 million in the form of a building expansion. In March 2019, the expanded Bogart Library was opened. 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.

Governmental Activities

Governmental activities net position increased \$1,902,673. (Exb 2) This increase is due to a combination of factors, including an increase in sales tax collections, additional LMIG funds, and contributions. Oconee County continues to practice conservative fiscal policies.

Business-Type Activities

Business type activities include the County's Enterprise Funds: Water & Sewer Fund, Solid Waste Fund and Special Facilities Fund. Business-type activities net position increased \$1,891,126 (Exb 2) as a result of operating revenues, 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, 2019, Oconee County governmental funds reported combined fund balances of \$21,231,660, down from \$28,370,167 in the prior year, a decrease of \$7,138,507. (Exb 4)

General Fund is the chief operating fund of the county. At June 30, 2019, total fund balance in the general fund was \$11,949,473, a decrease of \$1,850,975 from the prior year's fund balance of \$13,800,448. (Exb 4) There was a prior year fund balance increase due to fire station land swap proceeds; these proceeds were used for the purchase of Station No 8's ladder fire truck in the current year. In addition, the 2019 fund balance provided \$3,115,307 for Highway 53 Right-of-Way improvements in preparation for Dove Creek Elementary School. The fund balance remains strong, and the Board of Commissioners continue 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. This year's major projects included a new fire station, Oconee Veterans Park Phase II expansion, and the McNutt Creek sewer extension. These projects contributed to the decrease in fund balance of \$4,503,140.

Special Revenue Fund includes an excise tax on rooms, lodgings and accommodations to contribute to the promotion of tourism, conventions and trade shows authorized by ordinance of Oconee County Board of Commissioners. 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, 2019 totaled \$152,915. (Sch 8)

Industrial Development Authority Fund is presented within the County's Financial Statements as a blended component unit. The Industrial Development Authority issued \$10,380,000 Series 2012 Revenue Bonds and \$4,285,000 Series 2016 Revenue Bonds. These bond issuances are repayable solely through the proceeds of an intergovernmental contract between the Authority and Oconee County and are listed as Contract Payable-OCIDA. (Note 7) In 2019, the Authority continued using Series 2016 Revenue Bonds for a beautification project on Mars Hill Road between the Oconee Connector and Highway 53. The project consisted of landscaping and planting various Georgia native trees and plants. The Authority also participated in a conduit debt issue for \$52,840,000 with Presbyterian Village Athens to construct a senior living community in Oconee County. Although the debt bears the name of the Oconee County Industrial Development Authority, the Authority has no obligation for the debt.

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, 2019, total net position amounted to \$87,161,671. (Exb 6) This includes a change in net position of \$1,891,126. (Exb 6) Net position changes are a result of operations, non-operating revenues, depreciation, expenses, capital contributions, donated assets and grants. The 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, the County contributes 20.959% interest and principal payments due under Series 2015 bonds. 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 County makes contract payments sufficient to pay the Series 2015 and 2016 debt service.

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 in 2023.

During 2013, the County entered into a note payable with WCWSA and Georgia Environmental Finance Authority (GEFA). The note allowed for up to \$20,000,000 of borrowing, of which the County's share of 28.8% 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 note allows for up to \$12,000,000 of borrowing of which the

County's share of 28.8% 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. In 2019, the County expended the Series 2017 bond proceeds and completed the Calls Creek Wastewater Reclamation Facility and the addition of the Dove Creek water storage facility.

Oconee County maintains a debt service coverage that exceeds the requirement by bond covenants, and maintains a Moody's rating of Aa2, high quality and very low credit risk. 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.

Financial Highlights

The local economy continues to grow in Oconee County; unemployment is historically low and new revenue sources grow through small business activity. The continued growth of the Epps Bridge Centre in Oconee County has generated sales tax and in turn boosted the County's economy. The County continues to plan and promote prospective economic growth.

Oconee County's main revenue sources are sales taxes and property taxes. Sales tax revenues increased in fiscal year 2019. 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. 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. 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 in 2019.

Oconee County's total assets exceeded total liabilities at June 30, 2019, by \$174,513,298. (Exb 1) Effective in 2018, with the implementation of GASB 75, total liabilities now include total OPEB liability of \$6,087,269, an increase of \$302,053. (Note 10)

As a whole, the financial position of the Oconee County government continues to improve. At June 30, 2019, Oconee County's Governmental Fund Statement Report combined ending fund balances were \$21,231,660 (Exb 4), including an unassigned fund balance of \$10,438,610. (Exb 3)

Governmental funds report a \$6,801,354 restricted fund balance for capital projects, which commit the following funds: (Exb 3)

Fund:	Balance:	Reference:
SPLOST 2004	3,047,978	Sch 6
SPLOST 2009	269,150	Sch 6
SPLOST 2015	3,187,346	Exb 3
Hotel Sales Tax	218,579	Sch 5
Industrial Development Authority Projects	78,301	Sch 6
Total	\$6,801,354	

The General Fund committed \$1,231,573 (Exb 3) for SR53/Mars Hill Road and signalization at the Mars Hill/Rocky Branch/Virgil Langford intersection. The previously committed Highway 53 Right-of-Way improvements project for Dove Creek Elementary School has been completed.

Budget Variations

The original General Fund budget for the fiscal year end June 30, 2019, reflected anticipated revenues and expenditures of \$29,041,823. The final budget for the fiscal year showed revenues of \$29,200,266 and expenditures of \$34,120,746, while the actual results for fiscal year ending June 30, 2019 indicated revenues of \$31,307,276 and expenditures of \$33,158,251. (Sch. 3) The overall variance to final budget was \$1,850,975 in excess of expenditures over revenues.

General Fund Budget vs. Actual:	Revenues:	Expenditures:	Excess Revenues:
Original Budget	29,041,823	29,041,823	\$0
Final Budget	29,200,266	34,120,746	(\$4,920,480)
Actual Results	31,307,276	33,158,251	(\$1,850,975)

The increase in budgeted expenditures is related to committed fund balance projects including the Highway 53 Right-of-Way improvements project for Dove Creek Elementary School and the new fire truck for Station No. 8. Other projects started include roundabouts near Malcom Bridge and Mars Hill and the Bishop Farms Parkway connector.

Changes to Financial Presentation

In 2019, the County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires that additional information related to debt be disclosed in notes to financial statements. Unused lines of credit and assets pledged as collateral are now disclosed, along with agreement terms that have finance-related consequences such as default, termination, and acceleration clauses. Additional information related to direct borrowings and direct placements of debt will be separately reported from other debt. Refer to Note 7 for long-term obligations disclosure.

In 2018, 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.

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, 2019

Table 1
Net Position
(in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2019	2018	2019	2018	2019
Assets						
Current & Other Assets	30.80	25.21	28.03	19.37	58.83	44.58
Capital Assets, Net	93.11	99.27	111.50	117.96	204.61	217.23
Total Assets	123.91	124.48	139.53	137.33	263.44	261.81
Deferred Outflows of Resources						
Deferred Amount on Debt Refunding	0.58	0.54	2.09	1.86	2.67	2.40
Deferred Outflow Related to Pensions	1.04	2.92	0.13	0.28	1.17	3.20
Total Assets and Deferred Outflows	125.53	127.94	141.75	139.47	267.28	267.41
Liabilities						
Current & Other Liabilities	2.59	4.10	4.22	2.26	6.81	6.36
Long-Term Liabilities						
Due Within One Year	1.38	1.48	2.16	2.22	3.54	3.70
Due in More Than One Year	35.14	34.69	49.98	47.80	85.12	82.49
Total Liabilities	39.11	40.27	56.36	52.28	95.47	92.55
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	0.97	0.32	0.12	0.03	1.09	0.35
Total Liabilities and Deferred Inflows	40.08	40.59	56.48	52.31	96.56	92.90
Net Position						
Net Investment in Capital Assets	81.14	87.72	72.87	76.76	154.01	164.48
Restricted						
Capital Projects	13.30	6.96	0.00	0.00	13.30	6.96
Judicial	0.37	0.46	0.00	0.00	0.37	0.46
Public Safety	0.25	0.26	0.00	0.00	0.25	0.26
Debt Service	0.00	0.00	1.83	2.74	1.83	2.74
Other Purposes	0.15	0.15	0.00	0.00	0.15	0.15
Unrestricted	(9.76)	(8.20)	10.57	7.66	0.81	(0.54)
Total Net Position	85.45	87.35	85.27	87.16	170.72	174.51

Oconee County, Georgia
For the Year Ended June 30, 2019

Table 2
Changes in Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenue						
Program Revenues:						
Charges for Services	5.08	5.73	10.82	11.15	15.90	16.88
Operating Grants & Contributions	0.91	1.11	0.00	0.00	0.91	1.11
Capital Grants & Contributions	2.01	3.91	0.85	0.59	2.86	4.50
General Revenues:						
Property Taxes	13.89	15.28			13.89	15.28
Sales Taxes	14.47	15.32			14.47	15.32
Intangible Taxes	0.66	0.61			0.66	0.61
Business Taxes	1.80	1.94			1.80	1.94
Franchise Fees	0.32	0.32			0.32	0.32
Other Taxes	0.20	0.21			0.20	0.21
Investment Earnings	0.09	0.22	0.15	0.18	0.24	0.40
Gain on Disposal of Capital Asset	1.75	0.02	0.00	0.00	1.75	0.02
Total Revenues	41.20	44.67	11.82	11.92	53.00	56.59
Program Expenses						
General Government	6.74	6.90			6.74	6.90
Judicial	2.65	2.77			2.65	2.77
Public Safety	10.94	12.09			10.94	12.09
Public Works	8.09	10.13			8.09	10.13
Health & Welfare	0.90	1.02			0.90	1.02
Culture & Recreation	3.95	4.39			3.95	4.39
Housing & Development	1.45	1.56			1.45	1.56
Interest & Fiscal Charges	0.74	0.72			0.74	0.72
Water & Sewer			9.72	12.18	9.72	12.18
Solid Waste			0.55	0.54	0.55	0.54
Special Facilities			0.47	0.50	0.47	0.50
Total Expenses	35.46	39.58	10.74	13.22	46.20	52.80
Excess (Deficiency) Before Transfers & Contributions	5.74	5.09	1.08	(1.30)	6.80	3.79
Total Transfers	(1.85)	(3.19)	1.85	3.19	0.00	0.00
Changes in Net Position	3.89	1.90	2.93	1.89	6.80	3.79
Net Position, Beginning	86.19	85.45	82.97	85.27	169.16	170.72
Change in Accounting Principle	(4.63)	0.00	(0.63)	0.00	(5.26)	0.00
Net Position, Beginning, as Restated	81.56	85.45	82.34	85.27	163.90	170.72
Net Position, Ending	85.45	87.35	85.27	87.16	170.72	174.51

Basic Financial Statements

Oconee County, Georgia
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Health Department</u>
ASSETS				
Cash (Note 2)	\$ 9,052,109	\$ 2,773,182	\$ 11,825,291	\$ 845,328
Investments, plus accrued interest (Note 2)	13,678,217	1,775,703	15,453,920	-
Accounts receivable, net	203,762	1,350,779	1,554,541	77,665
Taxes receivable, net	117,972	-	117,972	-
Internal balances (Note 4)	128,778	(128,778)	-	-
Due from other governments	1,683,243	105,696	1,788,939	-
Due from others	-	153,529	153,529	-
Prepaid expenses	259,130	14,816	273,946	-
Restricted cash (Note 2)	88,547	4,052,737	4,141,284	-
Restricted investments (Note 2)	-	150,120	150,120	-
Investment - UOBWA, net (Note 5)	-	9,117,447	9,117,447	-
Capital assets (Note 3):				
Capital assets not being depreciated	26,421,224	19,309,216	45,730,440	-
Capital assets, net of accumulated depreciation	72,845,786	98,653,093	171,498,879	68,952
Total assets	<u>124,478,768</u>	<u>137,327,540</u>	<u>261,806,308</u>	<u>991,945</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on debt refunding	544,326	1,864,053	2,408,379	-
Deferred outflow related to pensions (Note 9)	2,919,930	286,318	3,206,248	319,606
Total assets and deferred outflows	<u>127,943,024</u>	<u>139,477,911</u>	<u>267,420,935</u>	<u>1,311,551</u>
LIABILITIES				
Accounts payable	2,966,671	636,828	3,603,499	107,062
Accounts payable from restricted assets	88,547	-	88,547	-
Retainage payable	256,880	2,046	258,926	-
Salaries and benefits payable	424,426	63,996	488,422	-
Due to other governments	272,682	-	272,682	-
Accrued interest	94,836	602,987	697,823	-
Customer deposits	-	953,281	953,281	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	1,477,786	2,224,393	3,702,179	2,178
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	18,951,439	46,027,213	64,978,652	-
Net pension liability (Note 9)	9,508,208	1,010,283	10,518,491	633,592
Total OPEB liability (Note 10)	5,456,452	630,817	6,087,269	315,045
Compensated absences	772,178	134,399	906,577	49,247
Total liabilities	<u>40,270,105</u>	<u>52,286,243</u>	<u>92,556,348</u>	<u>1,107,124</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	321,292	29,997	351,289	203,858
Total liabilities and deferred inflows	<u>40,591,397</u>	<u>52,316,240</u>	<u>92,907,637</u>	<u>1,310,982</u>
NET POSITION				
Net investment in capital assets	87,720,710	76,755,359	164,476,069	68,952
Restricted for:				
Capital projects	6,957,897	-	6,957,897	-
Judicial	465,408	-	465,408	-
Public safety	257,825	-	257,825	-
Debt service	-	2,741,449	2,741,449	-
Other purposes	151,987	-	151,987	-
Unrestricted	(8,202,200)	7,664,863	(537,337)	(68,383)
Total net position	<u>\$ 87,351,627</u>	<u>\$ 87,161,671</u>	<u>\$ 174,513,298</u>	<u>\$ 569</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, 2019

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	
Governmental:							
General government	\$ 6,904,969	\$ 1,187,524	\$ 21,815	\$ (5,668,063)	\$ -	\$ (5,668,063)	
Judicial	2,773,217	957,641	-	(1,211,114)	-	(1,211,114)	
Public safety	12,087,876	1,160,576	109,475	(10,657,943)	-	(10,657,943)	
Public works	10,121,489	4,745	1,073,596	(9,038,148)	-	(9,038,148)	
Health and welfare	1,024,422	-	252,404	(772,018)	-	(772,018)	
Culture and recreation	4,392,582	1,354,753	2,704,740	(286,246)	-	(286,246)	
Housing and development	1,555,601	1,072,737	15,410	(467,454)	-	(467,454)	
Interest and fiscal charges	718,247	-	-	(718,247)	-	(718,247)	
Total governmental activities	39,578,403	5,737,976	3,909,626	(28,819,233)	(1,482,763)	(28,819,233)	
Business-type:							
Water and sewer	12,176,531	10,663,110	591,507	-	\$ (921,914)	(921,914)	
Solid waste	543,978	256,619	2,398	-	(284,961)	(284,961)	
Special facilities	501,092	225,204	-	-	(275,888)	(275,888)	
Total business-type activities	13,221,601	11,144,933	593,905	-	(1,482,763)	(1,482,763)	
Component units:							
Oconee County Health Department	963,192	625,617	-	-	-	-	\$ 137,969
Total Oconee County	\$ 53,763,196	\$ 17,508,526	\$ 4,503,531	(28,819,233)	(1,482,763)	(30,301,996)	
General revenues:							
Taxes							
Property taxes, levied for general purposes				15,285,531	-	15,285,531	-
Sales tax				15,319,291	-	15,319,291	-
Intangible tax				615,819	-	615,819	-
Business taxes				1,936,642	-	1,936,642	-
Franchise taxes				321,275	-	321,275	-
Other taxes				206,693	-	206,693	-
Investment earnings				215,819	180,737	396,556	1,231
Gain on disposal of capital assets				13,988	-	13,988	-
Transfers				(3,193,152)	3,193,152	-	-
Total general revenues and transfers				30,721,906	3,373,889	34,095,795	1,231
Change in net position				1,902,673	1,891,126	3,793,799	139,200
Net position - beginning				85,448,954	85,270,545	170,719,499	(138,631)
Net position - ending				\$ 87,351,627	\$ 87,161,671	\$ 174,513,298	\$ 569

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

Oconee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>SPLOST 2015 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash (Note 2)	\$ 2,969,398	\$ 4,217,016	\$ 1,865,696	\$ 9,052,110
Investments (Note 2)	9,671,797	-	4,006,420	13,678,217
Accounts receivable, net	131,423	3,360	68,979	203,762
Taxes receivable, net	116,663	-	1,309	117,972
Internal balances (Note 4)	484,273	-	397,261	881,534
Due from other governments	637,570	630,053	415,620	1,683,243
Prepaid items	250,100	156,543	9,030	415,673
Restricted cash (Note 2)	88,547	-	-	88,547
Total assets	<u>\$ 14,349,771</u>	<u>\$ 5,006,972</u>	<u>\$ 6,764,315</u>	<u>\$ 26,121,058</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,204,523	\$ 1,416,890	\$ 345,260	\$ 2,966,673
Retainage payable	243,432	-	13,448	256,880
Internal balances (Note 4)	365,861	157,923	228,972	752,756
Due to other governments	5,394	88,270	179,018	272,682
Salaries and benefits payable	385,254	-	39,169	424,423
Bonds and deposits payable from restricted cash	88,547	-	-	88,547
Total liabilities	<u>2,293,011</u>	<u>1,663,083</u>	<u>805,867</u>	<u>4,761,961</u>
Deferred inflows of resources:				
Unavailable property taxes	107,287	-	1,250	108,537
Unavailable grant reimbursements	-	-	18,900	18,900
Total deferred inflows	<u>107,287</u>	<u>-</u>	<u>20,150</u>	<u>127,437</u>
Fund balances:				
Nonspendable	250,100	156,543	9,030	415,673
Restricted				
Capital projects	-	3,187,346	3,614,008	6,801,354
Judicial	-	-	465,408	465,408
Public safety	-	-	257,825	257,825
Public works	-	-	956	956
Culture and recreation	-	-	8,955	8,955
Housing and development	-	-	142,076	142,076
Committed				
Public safety	3,813	-	-	3,813
Public works	1,231,573	-	-	1,231,573
Assigned				
Health and welfare	-	-	268,173	268,173
Housing and development	-	-	1,197,244	1,197,244
Unassigned	10,463,987	-	(25,377)	10,438,610
Total fund balances	<u>11,949,473</u>	<u>3,343,889</u>	<u>5,938,298</u>	<u>21,231,660</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 14,349,771</u>	<u>\$ 5,006,972</u>	<u>\$ 6,764,315</u>	<u>\$ 26,121,058</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, 2019

Total <i>fund</i> balances for governmental funds (Exhibit 3)	\$ 21,231,660
Total <i>net position</i> reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Capital assets not being depreciated	26,421,224
Capital assets, net of depreciation	<u>72,845,786</u>
Total capital assets	99,267,010
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.	108,535
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.	18,900
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.	2,919,930
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.	(321,292)
Prepaid interest is reported in the governmental funds. On the Statement of Net Position, the prepaid interest is netted against accrued interest.	(156,543)
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.	544,326
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	\$ (94,836)
Bonds, notes, and capital leases payable	(20,429,225)
Net pension liability	(9,508,208)
OPEB liability	(5,456,452)
Compensated absences	<u>(772,178)</u>
Total long-term liabilities	<u>(36,260,899)</u>
Total net position of governmental activities (Exhibit 1)	<u><u>\$ 87,351,627</u></u>

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, 2019

	General Fund	SPLOST 2015 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 25,503,140	\$ 7,830,436	\$ 152,915	\$ 33,486,491
Licenses and permits	808,598	-	-	808,598
Intergovernmental revenue	1,133,842	21,815	804,978	1,960,635
Charges for services	2,876,540	-	1,447,386	4,323,926
Fines and forfeitures	544,363	-	114,293	658,656
Investment income	208,991	4,816	82,171	295,978
Contributions and donations	9,220	-	138,647	147,867
Miscellaneous	144,558	3,360	34,553	182,471
Total revenues	31,229,252	7,860,427	2,774,943	41,864,622
EXPENDITURES				
Current:				
General government	5,502,219	-	3,814	5,506,033
Judicial	2,034,250	-	664,384	2,698,634
Public safety	9,534,257	-	1,876,620	11,410,877
Public works	7,341,614	-	238,931	7,580,545
Health and welfare	318,618	-	605,877	924,495
Culture and recreation	3,469,835	-	38,580	3,508,415
Housing and development	1,109,210	-	175,283	1,284,493
Debt service:				
Principal payments	953,030	2,835,000	56,603	3,844,633
Interest and fiscal charges	338,997	387,165	9,995	736,157
Capital outlay:				
General government	-	680,466	600,830	1,281,296
Public safety	-	1,568,700	767,101	2,335,801
Public works	-	2,540,728	199,766	2,740,494
Culture and recreation	-	681,532	44,908	726,440
Housing and development	-	-	553,869	553,869
Intergovernmental	-	1,097,045	-	1,097,045
Total expenditures	30,602,030	9,790,636	5,836,561	46,229,227
Excess (deficiency) of revenues over/ (under) expenditures	627,222	(1,930,209)	(3,061,618)	(4,364,605)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	48,810	-	215,760	264,570
Proceeds from sale of capital assets	13,988	-	-	13,988
Transfers in	15,226	-	2,088,692	2,103,918
Transfers (out)	(2,556,221)	(2,572,931)	(27,226)	(5,156,378)
Total other financing sources (uses)	(2,478,197)	(2,572,931)	2,277,226	(2,773,902)
Net change in fund balances	(1,850,975)	(4,503,140)	(784,392)	(7,138,507)
Fund balances - beginning	13,800,448	7,847,029	6,722,690	28,370,167
Fund balances - ending	\$ 11,949,473	\$ 3,343,889	\$ 5,938,298	\$ 21,231,660

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, 2019

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ (7,138,507)

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 (\$9,726,219) exceeded depreciation (\$6,361,277) in the current period. 3,364,942

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: (359,030)

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. (270,005)

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. (20,560)

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. 18,900

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. 2,795,315

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. (264,570)

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, 2019

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

Principal repayment	3,844,633	
Accrued interest on debt	36,913	
Amortization of deferred amount on bond refunding	(38,881)	
Amortization of bond premiums and discounts	<u>19,878</u>	
		3,862,543

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.

Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 1,902,673</u></u>
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Oconee County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
ASSETS			
Current assets:			
Cash (Note 2)	\$ 2,762,214	\$ 10,968	\$ 2,773,182
Investments, plus accrued interest (Note 2)	1,775,703	-	1,775,703
Accounts receivable, net of allowance of \$49,453	1,343,192	7,587	1,350,779
Internal balances (Note 4)	157,923	-	157,923
Due from other governments	105,696	-	105,696
Due from others	153,529	-	153,529
Prepaid items	11,415	3,401	14,816
Total current assets	<u>6,309,672</u>	<u>21,956</u>	<u>6,331,628</u>
Noncurrent assets:			
Restricted cash (Note 2)	4,052,737	-	4,052,737
Restricted investments (Note 2)	150,120	-	150,120
Investment - UOBWA, net (Note 5)	9,117,447	-	9,117,447
Capital assets (Note 3)			
Capital assets not being depreciated	19,159,216	150,000	19,309,216
Capital assets, net of accumulated depreciation	97,248,920	1,404,173	98,653,093
Total capital assets	<u>116,408,136</u>	<u>1,554,173</u>	<u>117,962,309</u>
Total noncurrent assets	<u>129,728,440</u>	<u>1,554,173</u>	<u>131,282,613</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	1,864,053	-	1,864,053
Deferred outflow related to pensions (Note 9)	236,621	49,697	286,318
Total deferred outflows	<u>2,100,674</u>	<u>49,697</u>	<u>2,150,371</u>
Total assets and deferred outflows	<u>138,138,786</u>	<u>1,625,826</u>	<u>139,764,612</u>
LIABILITIES			
Current liabilities:			
Accounts payable	575,216	61,612	636,828
Retainage payable	2,046	-	2,046
Internal balances (Note 4)	286,701	-	286,701
Salaries and benefits payable	48,857	15,139	63,996
Accrued interest	602,987	-	602,987
Customer deposits-payable from restricted cash	953,281	-	953,281
Bonds, notes and contracts payable (Note 7)	2,224,393	-	2,224,393
Total current liabilities	<u>4,693,481</u>	<u>76,751</u>	<u>4,770,232</u>
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	46,027,213	-	46,027,213
Compensated absences (Note 7)	105,256	29,143	134,399
Net pension liability (Note 9)	733,420	276,863	1,010,283
Total OPEB liability (Note 10)	531,992	98,825	630,817
Total noncurrent liabilities	<u>47,397,881</u>	<u>404,831</u>	<u>47,802,712</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions (Note 9)	24,384	5,613	29,997
Total liabilities and deferred inflows	<u>52,115,746</u>	<u>487,195</u>	<u>52,602,941</u>
NET POSITION			
Net investment in capital assets	75,201,186	1,554,173	76,755,359
Restricted for debt service	2,741,449	-	2,741,449
Unrestricted	8,080,405	(415,542)	7,664,863
Total net position	<u>\$ 86,023,040</u>	<u>\$ 1,138,631</u>	<u>\$ 87,161,671</u>

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, 2019

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
OPERATING REVENUES			
Charges for services	\$ 9,648,372	\$ 313,487	\$ 9,961,859
Licenses and permits	-	5,500	5,500
Rents and royalties	-	162,836	162,836
Miscellaneous	250,457	-	250,457
Total operating revenues	9,898,829	481,823	10,380,652
OPERATING EXPENSES			
Salaries and benefits	1,896,105	461,419	2,357,524
Other contracted services	700,264	368,934	1,069,198
Water purchase and treatment costs	1,425,741	-	1,425,741
Supplies and materials	28,679	36,679	65,358
Repairs and maintenance	2,893,852	5,782	2,899,634
Utilities	422,453	63,150	485,603
Insurance	11,137	9,327	20,464
Depreciation	2,753,254	70,322	2,823,576
Other charges	129,671	29,457	159,128
Total operating expenses	10,261,156	1,045,070	11,306,226
Operating income (loss)	(362,327)	(563,247)	(925,574)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	2,398	2,398
Investment earnings	180,737	-	180,737
Water availability fees	349,025	-	349,025
Sewer capacity fees	409,306	-	409,306
Sewer connection fees	5,950	-	5,950
Amortization expense - UOBWA	(87,491)	-	(87,491)
Interest expense	(1,827,884)	-	(1,827,884)
Total nonoperating revenue (expense)	(970,357)	2,398	(967,959)
Income (loss) before contributions and transfers	(1,332,684)	(560,849)	(1,893,533)
Capital contributions - external	591,507	-	591,507
Capital contributions - from governmental activities	-	140,692	140,692
Transfers in	2,572,931	479,529	3,052,460
Change in net position	1,831,754	59,372	1,891,126
Total net position - beginning	84,191,286	1,079,259	85,270,545
Total net position - ending	\$ 86,023,040	\$ 1,138,631	\$ 87,161,671

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, 2019

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 9,574,781	\$ 570,455	\$ 10,145,236
Payments to suppliers	(6,342,966)	(511,227)	(6,854,193)
Payments to employees	(1,820,669)	(531,767)	(2,352,436)
Net cash provided (used) by operating activities	<u>1,411,146</u>	<u>(472,539)</u>	<u>938,607</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loans - proceeds and collections	(2,184)	-	(2,184)
Transfers in	-	479,949	479,949
Transfers (out)	-	(420)	(420)
Net cash provided (used) by noncapital financing activities	<u>(2,184)</u>	<u>479,529</u>	<u>477,345</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(10,189,541)	-	(10,189,541)
Cash received from grants	-	2,397	2,397
Transfers in used for construction of capital assets	3,560,934	-	3,560,934
Proceeds from issuance of debt	162,676	-	162,676
Principal payments on debt	(2,164,721)	-	(2,164,721)
Interest payments on debt	(1,817,055)	-	(1,817,055)
Sewer capacity and connection fees from customers	764,281	-	764,281
Net cash provided (used) for capital and related financing activities	<u>(9,683,426)</u>	<u>2,397</u>	<u>(9,681,029)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	227,889	-	227,889
Purchase of investments	(47,154)	-	(47,154)
Proceeds from sale of investments	454,250	-	454,250
Net cash provided by investing activities	<u>634,985</u>	<u>-</u>	<u>634,985</u>
Net change in cash	(7,639,479)	9,387	(7,630,092)
Cash - beginning	14,454,430	1,581	14,456,011
Cash - end	<u>\$ 6,814,951</u>	<u>\$ 10,968</u>	<u>\$ 6,825,919</u>
Displayed as:			
Cash	\$ 2,762,214	\$ 10,968	\$ 2,773,182
Restricted cash - noncurrent	4,052,737	-	4,052,737
	<u>\$ 6,814,951</u>	<u>\$ 10,968</u>	<u>\$ 6,825,919</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, 2019

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Other Enterprise Funds</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (362,327)	\$ (563,247)	\$ (925,574)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,753,254	70,322	2,823,576
Change in assets, liabilities and deferred amounts:			
Receivables, net	(359,312)	10,420	(348,892)
Prepaid items	(931)	(56)	(987)
Due from others	(153,528)	-	(153,528)
Due from other governments	(56,280)	-	(56,280)
Accounts payable	(520,430)	2,158	(518,272)
Accrued expenses	9,673	1,478	11,151
Customer deposits	35,264	-	35,264
Compensated absences	21,120	(2,427)	18,693
Net change in pension deferrals	(205,055)	(42,727)	(247,782)
Net pension liability	222,755	46,435	269,190
Net OPEB liability	26,943	5,105	32,048
Net cash provided (used) by operating activities	<u>\$ 1,411,146</u>	<u>\$ (472,539)</u>	<u>\$ 938,607</u>
Non-cash investing, capital and financing activities:			
Contribution of water system assets	\$ 591,507	\$ -	\$ 591,507

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

Oconee County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds
ASSETS	
Cash	<u>\$ 531,930</u>
Total assets	<u>531,930</u>
 LIABILITIES	
Due to others	<u>531,930</u>
Total liabilities	<u>531,930</u>
NET POSITION	<u><u>\$ -</u></u>

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

Notes to Financial Statements

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019

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, 2019

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 7, 2018. The collection period for property taxes was September 15, 2018 through November 15, 2018. Taxes receivable at June 30, 2019 amounted to \$117,972, while unavailable property taxes totaled \$108,537.

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, 2019

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.

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, 2019

Note 1: Summary of Significant Accounting Policies, continued

L. Fund Equity

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

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

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

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

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

Unassigned – all other spendable amounts.

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

Note 2: Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The County’s policy regarding custodial credit risk is to comply with the state law requiring collateralization of uninsured deposits up to 110% of the value of the deposits. As of June 30, 2019, none of the County’s deposits was exposed to custodial credit risk.

Restricted Cash

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

<u>General Fund</u>	Purpose	Balance
	Liability bonds payable	\$ 88,547
<u>Water and Sewer Fund</u>		
	Debt service reserve - 2012 bonds	\$ 415,009
	Sinking Fund - WCWSA 2016 bonds	1,271,455
	Construction proceeds - WCWSA 2012 GEFA	2,046
	Construction proceeds - WCWSA 2016 bonds	510,578
	Sinking Fund - 2017 bonds	904,865
	Customer deposits	948,784
	Restricted cash - noncurrent	\$ 4,052,737

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 2: Deposits and Investments, continued

Investments

Credit Risk

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

- Obligations of the State of Georgia or any other states;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or governmental agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

The County has no investment policy that would further limit its investment choices. As of June 30, 2019, 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 AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940, but is not considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool is managed by the Office of the State Treasurer. Its primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Interest Rate Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

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

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 2: Deposits and Investments, continued

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

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>	<u>Balance</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	39 days	\$ 1,775,703
			<u>1,775,703</u>
<u>General Fund</u>			
Georgia Fund 1	AAAf	39 days	9,671,797
<u>Non-major Funds</u>			
Georgia Fund 1	AAAf	39 days	3,315,136
Certificates of deposit		12 month	691,284
			<u>4,006,420</u>
		Total unrestricted	<u>\$ 15,453,920</u>
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	39 days	150,120
		Total restricted	<u>150,120</u>
		Total investments	<u>\$ 15,604,040</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	-	-	-	\$ 14,912,756

The County's investment in Georgia Fund 1 is not classified within the fair value hierarchy because it represents an external investment pool for which fair value is measured using a fair value per share methodology. The certificates of deposit are not negotiable or transferrable, so they meet the definition of a "nonparticipating interest earning investment contract" and are measured at cost in accordance with GASB Statement No. 31.

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

Water and Sewer Fund

Sinking Fund 2015 WCWSA Contract Payable	\$ 150,120
Restricted investments - noncurrent	<u>\$ 150,120</u>

Custodial Credit Risk-Investments

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

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

<u>Primary Government</u>	<u>Restated Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 22,518,354	\$ 833,238	\$ -	\$ 23,351,592
Construction in progress	4,278,543	6,265,848	9,448,034	1,096,357
Intangibles	1,260,135	713,140	-	1,973,275
Total capital assets not being depreciated	<u>28,057,032</u>	<u>7,812,226</u>	<u>9,448,034</u>	<u>26,421,224</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	117,419,553	4,273,409	-	121,692,962
Buildings and improvements	44,002,006	7,703,458	-	51,705,464
Equipment, furniture and vehicles	17,354,894	2,180,446	86,641	19,448,699
Total capital assets being depreciated	<u>178,776,453</u>	<u>14,157,313</u>	<u>86,641</u>	<u>192,847,125</u>
Less accumulated depreciation for:				
Infrastructure	82,893,209	3,419,337	-	86,312,546
Buildings and improvements	16,915,965	1,669,115	-	18,585,080
Equipment, furniture and vehicles	13,917,529	1,272,825	86,641	15,103,713
Total accumulated depreciation	<u>113,726,703</u>	<u>6,361,277</u>	<u>86,641</u>	<u>120,001,339</u>
Total capital assets being depreciated, net	<u>65,049,750</u>	<u>7,796,036</u>	<u>-</u>	<u>72,845,786</u>
Governmental activity capital assets, net	<u>\$ 93,106,782</u>	<u>\$ 15,608,262</u>	<u>\$ 9,448,034</u>	<u>\$ 99,267,010</u>

Total interest cost incurred for governmental activities was \$718,247. All of the interest cost incurred for governmental activities was expensed.

Depreciation expense was charged to functions as follows:

General government	\$ 259,594
Judicial	21,727
Public safety	1,390,319
Public works	3,545,271
Health and welfare	93,198
Culture and recreation	820,738
Housing and development	230,430
Total governmental activities depreciation expense	<u>\$ 6,361,277</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 3: Capital Assets, continued

Business-type Activities:

Water and Sewer Fund:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 12,369,462	\$ 2,039,060	\$ -	\$ 14,408,522
Construction in progress	21,383,752	7,032,851	23,724,205	4,692,398
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	<u>33,811,510</u>	<u>9,071,911</u>	<u>23,724,205</u>	<u>19,159,216</u>
Capital assets being depreciated:				
Treatment and distribution system	104,124,882	23,822,943	-	127,947,825
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,344,822	116,247	-	1,461,069
Total capital assets being depreciated	<u>105,765,840</u>	<u>23,939,190</u>	<u>-</u>	<u>129,705,030</u>
Less accumulated depreciation for:				
Treatment and distribution system	28,469,566	2,654,711	-	31,124,277
Buildings and improvements	152,826	9,533	-	162,359
Equipment, furniture and vehicles	1,080,464	89,010	-	1,169,474
Total accumulated depreciation	<u>29,702,856</u>	<u>2,753,254</u>	<u>-</u>	<u>32,456,110</u>
Capital assets being depreciated, net	<u>76,062,984</u>	<u>21,185,936</u>	<u>-</u>	<u>97,248,920</u>
Water and sewer capital assets, net	<u>109,874,494</u>	<u>30,257,847</u>	<u>23,724,205</u>	<u>116,408,136</u>
	Restated Beginning Balances	Increases	Decreases	Ending Balances
Total Non-major Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets not being depreciated	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Capital assets being depreciated:				
Land improvements	44,866	-	-	44,866
Buildings and improvements	2,878,417	-	-	2,878,417
Equipment, furniture and vehicles	264,665	-	-	264,665
Total capital assets being depreciated	<u>3,187,948</u>	<u>-</u>	<u>-</u>	<u>3,187,948</u>
Less accumulated depreciation for:				
Land improvements	35,746	766	-	36,512
Buildings and improvements	1,441,469	64,332	-	1,505,801
Equipment, furniture and vehicles	236,240	5,222	-	241,462
Total accumulated depreciation	<u>1,713,455</u>	<u>70,320</u>	<u>-</u>	<u>1,783,775</u>
Capital assets being depreciated, net	<u>1,474,493</u>	<u>(70,320)</u>	<u>-</u>	<u>1,404,173</u>
Total non-major business-type activities, net	<u>1,624,493</u>	<u>(70,320)</u>	<u>-</u>	<u>1,554,173</u>
Business-type activities capital assets, net	<u>\$ 111,498,987</u>	<u>\$ 30,187,527</u>	<u>\$ 23,724,205</u>	<u>\$ 117,962,309</u>

The Water and Sewer Fund incurred total interest cost of \$1,827,884 of interest costs, all of which was expensed.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 4: Interfund Balances and Activity

Interfund balances at June 30, 2019 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 & Sewer Fund</u>	
<u>Governmental funds</u>					
General Fund	\$ -	\$ -	\$ 197,572	\$ 286,701	\$ 484,273
Non-major Gov't Funds	365,861	-	31,400	-	397,261
<u>Enterprise funds</u>					
Water and Sewer Fund	-	\$ 157,923	-	-	157,923
	<u>\$ 365,861</u>	<u>\$ 157,923</u>	<u>\$ 228,972</u>	<u>\$ 286,701</u>	<u>\$ 1,039,457</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 \$337,768 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.

Transfers to/from Other Funds

<u>Transfers Out:</u>	<u>Transfers in:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Gov't Funds</u>	<u>Water and Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	
General Fund	\$ -	\$ 2,076,692	\$ -	\$ 479,529	\$ 2,556,221
SPLOST 2015	-	-	2,572,931	-	2,572,931
Non-major Gov't Funds	15,226	12,000	-	-	27,226
	<u>\$ 15,226</u>	<u>\$ 2,088,692</u>	<u>\$ 2,572,931</u>	<u>\$ 479,529</u>	<u>\$ 5,156,378</u>

The transfers to the General Fund from the nonmajor governmental funds in the amount of \$15,226 were to facilitate the payment of certain expenditures that have multiple funding sources.

The transfers from nonmajor governmental funds in the amount of \$12,000 to other nonmajor governmental funds were to facilitate the payment of certain expenditures that have multiple funding sources.

The General Fund transferred out \$2,076,692 to nonmajor gov't funds and \$479,529 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 2015 Fund transferred \$2,572,931 to the Water and Sewer Fund to assist with capital projects as was approved by the voters in the 2015 SPLOST referendum.

During the year, the County determined that the net pension liability and total OPEB liability that had previously been allocated to the Solid Waste Fund (a nonmajor enterprise fund) would not be liquidated by payments from that fund. In accordance with the guidance in NCGA Statement 1, which holds that liabilities should be allocated to the fund that will liquidate the liability, the County removed this share of the net pension liability and total OPEB liability from the Solid Waste Fund and reported them as governmental activities liabilities. This change is reported as a capital contribution, rather than a transfer, to the Solid Waste Fund at the fund level because long-term liabilities are not reported in governmental funds. In the government-wide Statement of Activities, the change is reported as a transfer out of the governmental activities and is reclassified as a transfer in to the business-type activities of \$140,692.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 5: Other Assets

Investment in Upper Oconee Basin Water Authority

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

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

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

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

Initial cash costs	\$ 70,221
Contract payable for 20.959% of revenue bond liability	11,787,064
Additional cash investments	41,250
	<u>11,898,535</u>
Accumulated amortization	(2,781,088)
Investment in UOBWA, net	<u>\$ 9,117,447</u>

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

Note 6: 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, 2019, the County abated ad valorem property taxes totaling \$203,779 through an agreement. The following agreement(s) exceeds 25 percent of the total amount abated:

A local manufacturing plant had tax abatements of \$203,779. 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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

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 – Private Placement

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 was liquidated by the SPLOST 2015 Fund in fiscal year 2019.

In July 2018, the County entered into a \$215,760 installment agreement. The proceeds were used to purchase a camera system for the jail. The installment agreement is payable in four annual payments and the interest rate is 0%. The installment agreement will be liquidated by the General Fund.

In July 2018, the County entered into a \$48,810 installment agreement. The proceeds were used to purchase tasers for the Sheriff's Department. The installment agreement is payable in five annual payments and the interest rate is 0%. The installment agreement will be liquidated by the General Fund.

Capital Leases – Private Placement

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 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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

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

	Historical Cost	Accumulated Amortization
Net Motion Licenses	44,141	30,887
E-911 communication equipment	257,129	55,653

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

Conduit Debt

The Oconee County Industrial Development Authority (OCIDA), a blended component unit of the County, has issued several industrial revenue bonds that were used to finance the cost of the acquisition, equipping and improvement of certain land and buildings located in Oconee County, Georgia. The total amount of industrial revenue bonds outstanding at year end was \$68,928,394, made up of four 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 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.

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.

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 \$835,000 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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

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.

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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

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 \$17,005,000 of the refunded bonds were still legally outstanding at year-end.

Notes Payable – GEFA – Private Placement

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 August 1, 2019. 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.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Contracts payable - OCIDA - private placement	\$ 12,545,000	\$ -	\$ 890,000	\$ 11,655,000	\$ 910,000
Less: discount	(8,459)	-	(540)	(7,919)	-
Net contracts payable	<u>12,536,541</u>	-	<u>889,460</u>	<u>11,647,081</u>	<u>910,000</u>
General obligation bonds	8,520,000	-	435,000	8,085,000	445,000
Issuance premiums	296,066	-	20,418	275,648	-
Net bonds payable	<u>8,816,066</u>	-	<u>455,418</u>	<u>8,360,648</u>	<u>445,000</u>
Installment Agreement - private placement	2,400,000	264,570	2,463,030	201,540	63,870
Capital leases - private placement	276,559	-	56,603	219,956	58,916
Total contracts payable, bond payable and capital leases, net	24,029,166	264,570	3,864,511	20,429,225	1,477,786
Compensated absences	685,823	484,195	397,840	772,178	-
Total governmental activities	<u>\$ 24,714,989</u>	<u>\$ 748,765</u>	<u>\$ 4,262,351</u>	<u>\$ 21,201,403</u>	<u>\$ 1,477,786</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type activities:					
Notes payable - GEFA - private placement	\$ 7,879,072	\$ 162,676	\$ -	\$ 8,041,748	\$ -
Less: discounts on GEFA notes	<u>(3,388,646)</u>	<u>-</u>	<u>(97,642)</u>	<u>(3,291,004)</u>	<u>-</u>
Total notes payable	<u>4,490,426</u>	<u>162,676</u>	<u>(97,642)</u>	<u>4,750,744</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	4,924,317	-	474,721	4,449,596	489,393
Plus: issuance premium	519,574	-	57,730	461,844	
WCWSA Contract payable	17,265,000	-	500,000	16,765,000	515,000
Plus: issuance premiums	<u>1,894,761</u>	<u>-</u>	<u>102,796</u>	<u>1,791,965</u>	<u>-</u>
Total contracts payable	<u>24,603,652</u>	<u>-</u>	<u>1,135,247</u>	<u>23,468,405</u>	<u>1,004,393</u>
Bonds payable:					
Revenue bonds	18,700,000	-	1,190,000	17,510,000	1,220,000
Deferred amounts:					
Issuance premiums	<u>2,755,820</u>	<u>-</u>	<u>233,363</u>	<u>2,522,457</u>	<u>-</u>
Total bonds payable	<u>21,455,820</u>	<u>-</u>	<u>1,423,363</u>	<u>20,032,457</u>	<u>1,220,000</u>
Total notes payable, contracts payable and bonds payable, net	50,549,898	162,676	2,460,968	48,251,606	2,224,393
Compensated absences - Water	84,136	54,723	33,603	105,256	-
Compensated absences - Nonmajor	<u>31,570</u>	<u>12,227</u>	<u>14,654</u>	<u>29,143</u>	<u>-</u>
Total Business-type activities	<u>\$ 50,665,604</u>	<u>\$ 229,626</u>	<u>\$ 2,509,225</u>	<u>\$ 48,386,005</u>	<u>\$ 2,224,393</u>

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

	<u>2012 Series</u>	<u>2017 Series</u>	<u>Total</u>
Outstanding bond payable	\$ 5,755,000	\$ 11,755,000	\$ 17,510,000
Unamortized premium	<u>486,997</u>	<u>2,035,460</u>	<u>2,522,457</u>
Net total	<u>\$ 6,241,997</u>	<u>\$ 13,790,460</u>	<u>\$ 20,032,457</u>

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

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

Debt Service Requirements

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

Governmental activities

Year Ending June 30,	General Obligation Bonds		Contracts Payable - OCIDA		Installment Agreement - Private Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 445,000	\$ 313,085	\$ 910,000	\$ 319,736	\$ 63,870	\$ -
2021	470,000	290,835	930,000	297,941	63,870	-
2022	480,000	275,560	950,000	276,824	63,870	-
2023	500,000	251,560	970,000	254,662	9,930	-
2024	520,000	226,560	1,000,000	230,831	-	-
2025 - 2029	2,920,000	819,403	3,740,000	809,197	-	-
2030 - 2034	2,750,000	263,903	3,155,000	340,776	-	-
	<u>\$ 8,085,000</u>	<u>\$ 2,440,906</u>	<u>\$ 11,655,000</u>	<u>\$ 2,529,967</u>	<u>\$ 201,540</u>	<u>\$ -</u>

Future minimum lease payments at year-end are:

Year Ending June, 30	Governmental Activities
2020	66,598
2021	61,684
2022	56,769
2023	52,040
Minimum lease payments	237,091
Less: Interest	(17,135)
Net present value of minimum lease payments	<u>\$ 219,956</u>

Business-type activities

Year Ending June 30,	Water & Sewer Fund					
	2012 Revenue Bonds		2017 Revenue Bonds		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 380,000	\$ 274,450	\$ 840,000	\$ 554,150	\$ 1,220,000	\$ 828,600
2021	1,270,000	237,000	-	545,750	1,270,000	782,750
2022	1,335,000	171,875	-	545,750	1,335,000	717,625
2023	1,400,000	103,500	-	545,750	1,400,000	649,250
2024	1,370,000	34,250	-	545,750	1,370,000	580,000
2025 - 2029	-	-	3,055,000	2,362,375	3,055,000	2,362,375
2030 - 2034	-	-	3,930,000	1,493,250	3,930,000	1,493,250
2035 - 2039	-	-	3,930,000	405,500	3,930,000	405,500
	<u>\$ 5,755,000</u>	<u>\$ 821,075</u>	<u>\$ 11,755,000</u>	<u>\$ 6,998,275</u>	<u>\$ 17,510,000</u>	<u>\$ 7,819,350</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 7: Long-term Obligations, continued

Year Ending	Water and Sewer Fund					
	Contract Payable - UOBWA		Contract Payable - WCWSA		Notes Payable - GEFA - Private Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2020	\$ 489,393	\$ 186,100	\$ 515,000	\$ 700,694	\$ -	\$ 67,864
2021	504,064	171,418	540,000	680,500	-	43,022
2022	519,783	156,297	555,000	659,306	-	43,022
2023	538,646	137,098	585,000	632,212	-	43,022
2024	558,557	116,218	610,000	603,619	-	43,022
2025 - 2029	1,839,153	186,902	3,805,000	2,545,237	229,263	205,010
2030 - 2034	-	-	5,120,000	1,637,600	261,660	181,572
2035 - 2039	-	-	5,035,000	516,400	289,155	155,651
2040 - 2044	-	-	-	-	319,541	127,007
2045 - 2049	-	-	-	-	353,118	95,353
2050 - 2054	-	-	-	-	390,222	60,372
2055 - 2059	-	-	-	-	6,191,226	2,032,378
2060 - 2060	-	-	-	-	7,563	14
	<u>\$ 4,449,596</u>	<u>\$ 954,033</u>	<u>\$ 16,765,000</u>	<u>\$ 7,975,568</u>	<u>\$ 8,041,748</u>	<u>\$ 3,097,309</u>

Debt Covenants

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

Note 8: Net Position Restricted By Enabling Legislation

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

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

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

Capital projects	\$ 6,879,596
Judicial	449,088
Public safety	153,936
Housing and Development	132,257
	<u>\$ 7,614,877</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 9: Retirement Benefits

Defined Benefit Pension Plan

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

Plan Description

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

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

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

GEBCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

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

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

Plan Asset Mix and Accounting Policies

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

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

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

Plan Membership

Retirees, beneficiaries and disabled receiving benefits	96
Terminated plan members entitled to but not receiving benefits	130
Active plan members	173
 Total	 399
 Covered compensation for active participants	 \$ 8,099,621

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 9: Retirement Benefits, continued

The weighted average returns used by UBS 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>Expected Return</u>	<u>Weighted Return</u>
Fixed income	30%	3.80%	1.14%
Equities:			
Large cap	30%	6.30%	1.89%
Mid cap	5%	7.90%	0.40%
Small cap	5%	6.30%	0.32%
REIT	5%	8.40%	0.42%
International	15%	7.90%	1.19%
Multi cap	5%	7.50%	0.38%
Global Allocation	5%	7.80%	0.39%
	<u>100%</u>		<u>6.11%</u>

The Plan used a 7.00% discount rate to calculate the ending total pension liability, which is a reduction from the 7.25% discount rate used for the immediately prior measurement date. 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</u>	
	<u>6.00%</u>	<u>8.00%</u>
Total Pension Liability	\$ 34,192,522	\$ 26,787,487
Fiduciary Net Position	<u>19,633,268</u>	<u>19,633,268</u>
Net Pension Liability	<u>\$ 14,559,254</u>	<u>\$ 7,154,219</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

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:

Summary of Changes	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning of year	\$ 27,489,514	\$ 19,988,183	\$ 7,501,331
Changes during the plan year:			
Service cost	678,069	-	678,069
Interest on total pension liability	1,948,926	-	1,948,926
Liability experience (gain)/loss	952,491	-	952,491
Assumption change	298,321	-	298,321
Employer contributions	-	1,969,963	(1,969,963)
Net investment income	-	(1,040,521)	1,040,521
Benefit payments	(1,215,562)	(1,215,562)	-
Administrative expenses	-	(43,795)	43,795
Other expense	-	(25,000)	25,000
Net change	<u>2,662,245</u>	<u>(354,915)</u>	<u>3,017,160</u>
End of year	<u>\$ 30,151,759</u>	<u>\$ 19,633,268</u>	<u>\$ 10,518,491</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	\$ 1,969,963
Change in net pension liability	3,017,160
Deferred outflow related to investment results	(2,461,484)
Deferred outflow related to change in assumptions	(298,321)
Deferred outflow related to experience loss	(952,491)
Amortization of deferred inflows	(144,290)
Amortization of deferred outflows	<u>1,079,173</u>
Pension expense	<u>\$ 2,209,710</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 777,388	\$ 351,289
Change of assumptions	1,054,186	-
Net difference between projected and actual earnings on Plan investments	<u>1,374,674</u>	<u>-</u>
	<u>\$ 3,206,248</u>	<u>\$ 351,289</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 9: Retirement Benefits, continued

The County made its pension contribution for the 2018 plan year (calendar year 2018) in December 2018. 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>
2020	\$ 106,702	\$ 361,149	\$ 437,522	\$ 905,373
2021	106,702	361,149	231,580	699,431
2022	106,859	298,742	213,275	618,876
2023	105,836	33,146	492,297	631,279
2024	-	-	-	-
	<u>\$ 426,099</u>	<u>\$ 1,054,186</u>	<u>\$ 1,374,674</u>	<u>\$ 2,854,959</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, 2019

Note 9: Retirement Benefits, continued

Component Unit

Oconee County Board of Health participates in the Employees' Retirement System of Georgia (ERS). At June 30, 2019, the Oconee Board of Health reported a liability of \$633,592 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)

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 pays 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 \$174,821 were recognized for retiree health care and Medicare supplements.

Employees Covered

The County has the following participants in its plan:

Retired participants	63
Active participants	222
	285
Total participants	285

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 County used roll forward procedures, as required by GASB Statement No. 75, to update the total OPEB liability from the actuarial valuation date to the current balance sheet date. These procedures included accruing one year's interest on the total OPEB liability and accruing one year's service cost into the total OPEB liability. The County used the same interest cost and service cost that was determined by the June 30, 2018 actuarial valuation. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 10: Other Postemployment Benefits (OPEB), continued

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:

	Total OPEB Liability
Beginning balance	\$ 5,785,218
Service cost	236,374
Interest expense	209,441
Benefits paid	<u>(143,764)</u>
Ending balance	<u><u>\$ 6,087,269</u></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.

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:

	1% Decrease	Discount Rate	1% Increase
	2.87%	3.87%	4.87%
Total OPEB Liability	\$ 6,636,290	\$ 6,087,269	\$ 5,089,523

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

Note 10: Other Postemployment Benefits (OPEB), continued

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:

	Healthcare Cost		
1% Decrease	Trend Rates	1% Increase	
7% to 4%, 4% Post-65	8% to 5%, 5% Post-65	9% to 5%, 6% Post-65	
Total OPEB Liability	\$ 5,785,218	\$ 6,087,269	\$ 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, 2019, the Oconee Board of Health reported a liability of \$315,045 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.

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 \$31,530. The 30-year post closure cost estimate is \$945,895. Therefore, the total financial assurance required is \$1,253,417.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

Note 15: Hotel Motel Lodging Tax

Oconee County, Georgia has levied a 6% lodging tax. During the year ended June 30, 2019, the County received \$152,915 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 \$157,824 in expenditures. Of these expenditures, \$70,400 was spent from the restricted portion of fund balance and \$87,424 was spent from the unrestricted portion of the tax (40%). At June 30, 2019, \$350,836 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 \$18,900. The deficit was a result of the revenue recognition of a grant received.

Required Supplementary Information

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

	Year Ended June 30,			
	2015	2016	2017	2018
Changes in Total Pension Liability				
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
Total Pension Liability - end of year	<u>22,193,423</u>	<u>24,418,791</u>	<u>25,973,948</u>	<u>27,489,514</u>

Changes in Fiduciary Net Position

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)
Fiduciary Net Position - end of year	<u>14,530,746</u>	<u>15,273,164</u>	<u>16,826,918</u>	<u>19,988,183</u>
Net Pension Liability	<u>\$ 7,662,677</u>	<u>\$ 9,145,627</u>	<u>\$ 9,147,030</u>	<u>\$ 7,501,331</u>

Plan Fiduciary Net Position as a % of Total Pension Liability

Covered payroll	65.47%	62.55%	64.78%	72.71%
Net Pension Liability as % of Covered Payroll	\$ 8,409,345	\$ 8,439,900	\$ 7,986,368	\$ 7,788,152
	91.12%	108.36%	114.53%	96.32%
				65.11%
				\$ 8,099,621
				129.86%

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

Oconee County, Georgia
Required Supplementary Information
Schedule of County Pension Contributions

	Contributions in			Contribution Deficiency (Excess)	Contributions as	
	Actuarially Determined Contribution	Relation to Actuarially Determined Contribution	Contribution Determined (Excess)		Covered Payroll	Percentage of Covered Payroll
2019	\$ 1,779,777	\$ 1,969,963	\$ (190,186)	\$ 8,099,621	24.32%	
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%	

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

Oconee County, Georgia
Required Supplementary Information
Schedule of Changes in the County's Total OPEB Liability and Related Ratios

	Year Ended June 30,	
	2018	2019
	<u> </u>	<u> </u>
Total OPEB Liability - beginning of year	\$ 5,483,165	\$ 5,785,218
Service cost	236,374	236,374
Interest on total OPEB liability	209,443	209,441
Benefit payments	<u>(143,764)</u>	<u>(143,764)</u>
Total OPEB Liability - end of year	<u>\$ 5,785,218</u>	<u>\$ 6,087,269</u>
Covered-employee payroll	\$ 9,661,589	\$ 9,661,589
Total OPEB Liability as % of Covered-Employee Payroll	59.88%	63.00%

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 24,357,190	\$ 24,515,633	\$ 25,503,140	\$ 987,507
Licenses and permits	738,561	738,561	808,598	70,037
Intergovernmental revenue	719,558	719,558	1,133,842	414,284
Charges for services	2,622,780	2,622,780	2,876,540	253,760
Fines and forfeitures	422,900	422,900	544,363	121,463
Investment income	89,559	89,559	208,991	119,432
Contributions and donations	-	-	9,220	9,220
Miscellaneous	72,275	72,275	144,558	72,283
Total revenues	<u>29,022,823</u>	<u>29,181,266</u>	<u>31,229,252</u>	<u>2,047,986</u>
EXPENDITURES				
Department level:				
Commission	695,885	679,886	656,886	23,000
Administration	505,320	549,481	533,473	16,008
Human resources	540,034	522,384	509,014	13,370
Finance	703,202	651,326	630,401	20,925
Law enforcement	3,872,510	4,106,888	4,026,195	80,693
Jail	2,880,470	2,983,253	2,923,209	60,044
Tax commissioner	526,889	562,013	550,995	11,018
Probate court	527,671	552,071	541,235	10,836
Clerk of courts	850,495	864,395	847,399	16,996
Juvenile court	119,735	116,736	113,882	2,854
Superior court	488,303	442,604	429,283	13,321
District attorney	28,500	33,190	29,889	3,301
Magistrate court	88,350	84,350	78,852	5,498
Coroner	31,315	31,515	30,866	649
Tax assessor	681,146	709,046	695,152	13,894
Board of elections	248,804	248,805	243,851	4,954
Public works	3,315,487	7,017,429	6,871,315	146,114
Parks and recreation	3,059,776	3,133,835	2,949,637	184,198
Operations	1,539,861	1,440,749	1,412,652	28,097
Public safety	1,501,481	2,662,396	2,617,017	45,379
Code enforcement	857,145	868,147	860,366	7,781
Information technology	690,380	748,849	733,804	15,045
Community development	1,408,026	1,324,109	1,317,859	6,250
Joint governmental programs	1,026,388	1,028,025	998,798	29,227
Total expenditures	<u>26,187,173</u>	<u>31,361,482</u>	<u>30,602,030</u>	<u>759,452</u>
Excess of revenues over expenditures	2,835,650	(2,180,216)	627,222	2,807,438
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	48,810	48,810
Proceeds of capital asset dispositions	-	-	13,988	13,988
Transfers in	19,000	19,000	15,226	(3,774)
Transfers (out)	(2,854,650)	(2,759,264)	(2,556,221)	203,043
Total other financing sources (uses)	<u>(2,835,650)</u>	<u>(2,740,264)</u>	<u>(2,478,197)</u>	<u>262,067</u>
Net change in fund balances	-	(4,920,480)	(1,850,975)	3,069,505
Fund balance - beginning	11,061,520	11,061,520	13,800,448	(2,738,928)
Fund balances - ending	<u>\$ 11,061,520</u>	<u>\$ 6,141,040</u>	<u>\$ 11,949,473</u>	<u>\$ 330,577</u>

Oconee County, Georgia
Reconciliation of Budget Expenditures by Department to
GAAP Basis Budget - General Fund
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 695,885	\$ 679,886	\$ 656,886	\$ 23,000
Administration	505,320	549,481	533,473	16,008
Human resources	540,034	522,384	509,014	13,370
Finance	703,202	651,326	630,401	20,925
Board of elections	248,804	248,805	243,851	4,954
Information technology	690,380	748,849	733,804	15,045
Tax commissioner	526,889	562,013	550,995	11,018
Tax assessor	681,146	709,046	695,152	13,894
Operations	1,070,503	960,466	942,353	18,113
Superior court - Board of equalization	9,000	6,300	6,290	10
Judicial:				
Superior court	479,303	436,304	422,993	13,311
Clerk of courts	850,495	864,395	847,399	16,996
District attorney	28,500	33,190	29,889	3,301
Magistrate court	88,350	84,350	78,852	5,498
Probate court	527,671	552,071	541,235	10,836
Juvenile court	119,735	116,736	113,882	2,854
Public safety:				
Law enforcement	3,872,510	4,106,888	4,026,195	80,693
Jail	2,880,470	2,983,253	2,923,209	60,044
Public safety	1,501,481	2,599,356	2,553,987	45,369
Coroner	31,315	31,515	30,866	649
Public works:				
Public works	3,315,487	7,017,429	6,871,315	146,114
County facilities	469,358	480,283	470,299	9,984
Health and welfare:				
Joint gov't programs-health and welfare	316,982	318,618	318,618	-
Culture and recreation:				
Parks and recreation	3,059,776	3,133,835	2,949,637	184,198
Joint gov't program-library	528,184	528,184	520,198	7,986
Housing and development:				
Community development	178,825	94,908	88,862	6,046
Joint gov't program-development	181,222	181,223	159,982	21,241
Code enforcement	857,145	868,147	860,366	7,781
Total current expenditures	<u>24,957,972</u>	<u>30,069,241</u>	<u>29,310,003</u>	<u>759,238</u>
Debt service:				
Principal payments:				
Public safety	-	63,040	63,030	10
Community development	890,000	890,000	890,000	-
Total principal payments	<u>890,000</u>	<u>953,040</u>	<u>953,030</u>	<u>10</u>
Interest payments:				
Community development	339,201	339,201	338,997	204
Total interest payments	<u>339,201</u>	<u>339,201</u>	<u>338,997</u>	<u>204</u>
Total debt service	<u>1,229,201</u>	<u>1,292,241</u>	<u>1,292,027</u>	<u>214</u>
Total expenditures by department	<u>\$ 26,187,173</u>	<u>\$ 31,361,482</u>	<u>\$ 30,602,030</u>	<u>\$ 759,452</u>

Oconee County, Georgia
Notes to Required Supplementary Information
June 30, 2019

RELATED TO 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	4.50%
Investment rate of return	7.00%

Note C: Changes in Assumptions

The investment return was changed from 7.25% to 7.00% as of December 31, 2018 based on an analysis performed during 2019. The 2018 plan year activity, which ended during fiscal year 2019, was calculated using the 7.25% rate. 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 rate of future salary increases changed from 5.0%, with an age-based scale, to 4.5%, with an age-based scale beginning with the December 31, 2018 actuarial valuation.

The assumed likelihood of employment termination was increased for the December 31, 2018 actuarial valuation using the Vaughn Select and Ultimate Table through age 54 based on a February 2019 experience study.

The assumed disability rates were changed from using male rates derived from a 1977 Social Security Administration study for both sexes to using both male and female rates from the 1985 CIDA Table Class 1 for the December 31, 2018 actuarial valuation based on the results of a February 2019 experience study.

The RP-2000 mortality table was projected with Scale AA to 2016 figures in 2016 and then was updated to 2017 figures in 2017 and 2018 figures in 2018. 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.

Oconee County, Georgia
Notes to Required Supplementary Information
June 30, 2019

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 presneted the historical information about the actuarially determined contribution that it has so far. As additional information becomes available, the County will report it.

RELATED TO THE 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, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,480,642	\$ 385,054	\$ 1,865,696
Investments, plus accrued interest	691,284	3,315,136	4,006,420
Accounts receivable, net	68,979	-	68,979
Taxes receivable, net	1,309	-	1,309
Internal balances	388,761	8,500	397,261
Due from other governments	415,620	-	415,620
Prepaid items	9,030	-	9,030
Total assets	\$ 3,055,625	\$ 3,708,690	\$ 6,764,315
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 45,447	\$ 299,813	\$ 345,260
Retainage payable	-	13,448	13,448
Internal balances	228,972	-	228,972
Due to other governments	179,018	-	179,018
Salaries and benefits payable	39,169	-	39,169
Total liabilities	492,606	313,261	805,867
Deferred inflows of resources:			
Unavailable property taxes	1,250	-	1,250
Unavailable grant reimbursements	18,900	-	18,900
Total deferred inflows	20,150	-	20,150
Fund balances:			
Nonspendable	9,030	-	9,030
Restricted			
Capital projects	218,579	3,395,429	3,614,008
Judicial	465,408	-	465,408
Public safety	257,825	-	257,825
Public works	956	-	956
Culture and recreation	8,955	-	8,955
Housing and development	142,076	-	142,076
Assigned			
Health and welfare	268,173	-	268,173
Housing and development	1,197,244	-	1,197,244
Unassigned	(25,377)	-	(25,377)
Total fund balances	2,542,869	3,395,429	5,938,298
Total liabilities, deferred inflows and fund balances	\$ 3,055,625	\$ 3,708,690	\$ 6,764,315

Oconee County, Georgia
 Nonmajor Governmental Funds - Special Revenue Funds
 Combining Balance Sheet
 June 30, 2019

	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
ASSETS												
Cash	\$ 293,278	\$168,033	\$ 28,395	102,715	\$ 155,980	\$ 226,136	\$ -	\$ -	\$ 91	\$ -	\$ 506,014	\$ 1,480,642
Investments, plus accrued interest	-	-	-	-	-	-	-	-	-	-	691,284	691,284
Accounts receivable, net	54,411	-	-	-	-	-	-	-	-	14,568	-	68,979
Taxes receivable, net	-	-	-	-	-	-	-	-	1,309	-	-	1,309
Internal balances	-	-	-	-	31,910	-	-	-	19,083	337,768	-	388,761
Due from other governments	-	-	-	-	-	236,692	147,528	31,400	-	-	-	415,620
Prepaid items	2,553	-	-	-	-	-	5,964	-	-	513	-	9,030
Total assets	\$ 350,242	\$168,033	\$ 28,395	\$ 102,715	\$ 187,890	\$ 462,828	\$ 153,492	\$ 31,400	\$ 20,483	\$ 352,849	\$ 1,197,298	\$ 3,055,625
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 2,845	\$ -	\$ 1,476	\$ -	\$ 15,803	\$ -	\$ 6,036	\$ -	\$ 19,233	\$ -	\$ 54	\$ 45,447
Internal balances	66,408	2,755	-	-	7,846	-	120,563	31,400	-	-	-	228,972
Due to other governments	-	-	-	-	-	179,018	-	-	-	-	-	179,018
Salaries and benefits payable	10,263	-	-	-	-	-	26,893	-	-	2,013	-	39,169
Total liabilities	79,516	2,755	1,476	-	23,649	179,018	153,492	31,400	19,233	2,013	54	492,606
Deferred inflows of resources:												
Unavailable property taxes	-	-	-	-	-	-	-	-	1,250	-	-	1,250
Unavailable grant reimbursements	-	-	-	-	-	-	-	18,900	-	-	-	18,900
Total deferred inflows	-	-	-	-	-	-	-	18,900	1,250	-	-	20,150
Fund balances:												
Nonspendable	2,553	-	-	-	-	-	5,964	-	-	513	-	9,030
Restricted												
Capital Projects	-	-	-	-	-	-	-	-	-	218,579	-	218,579
Judicial	-	165,278	-	-	16,320	283,810	-	-	-	-	-	465,408
Public safety	-	-	26,919	102,715	128,191	-	-	-	-	-	-	257,825
Public works	-	-	-	-	956	-	-	-	-	-	-	956
Culture and recreation	-	-	-	-	8,955	-	-	-	-	-	-	8,955
Housing and development	-	-	-	-	9,819	-	-	-	-	132,257	-	142,076
Assigned												
Health and welfare	268,173	-	-	-	-	-	-	-	-	-	-	268,173
Housing and development	-	-	-	-	-	-	-	-	-	-	1,197,244	1,197,244
Unassigned	-	-	-	-	-	-	(5,964)	(18,900)	-	(513)	-	(25,377)
Total fund balances	270,726	165,278	26,919	102,715	164,241	283,810	(5,964)	(18,900)	-	350,836	1,197,244	2,542,869
Total liabilities, deferred inflows and fund balances	\$ 350,242	\$168,033	\$ 28,395	\$ 102,715	\$ 187,890	\$ 462,828	\$ 153,492	\$ 31,400	\$ 20,483	\$ 352,849	\$ 1,197,298	\$ 3,055,625

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2019

	SPLOST 2004 Fund	SPLOST 2009 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Parkway Blvd Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash	\$ 14,386	\$ 269,150	\$ -	\$ 101,518	\$ 385,054
Investments	3,315,136	-	-	-	3,315,136
Internal balances			8,500	-	8,500
Total assets	<u>\$ 3,329,522</u>	<u>\$ 269,150</u>	<u>\$ 8,500</u>	<u>\$ 101,518</u>	<u>\$ 3,708,690</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 268,096	\$ -	\$ 8,500	\$ 23,217	\$ 299,813
Retainage payable	13,448	-	-	-	13,448
Total liabilities	<u>281,544</u>	<u>-</u>	<u>8,500</u>	<u>23,217</u>	<u>313,261</u>
Fund balances:					
Restricted					
Capital projects	3,047,978	269,150	-	78,301	3,395,429
Total fund balances	<u>3,047,978</u>	<u>269,150</u>	<u>-</u>	<u>78,301</u>	<u>3,395,429</u>
Total liabilities and fund balances	<u>\$ 3,329,522</u>	<u>\$ 269,150</u>	<u>\$ 8,500</u>	<u>\$ 101,518</u>	<u>\$ 3,708,690</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, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 152,915	\$ -	\$ 152,915
Intergovernmental revenue	804,978	-	804,978
Charges for services	1,447,386	-	1,447,386
Fines and forfeitures	114,293	-	114,293
Investment income	6,828	75,343	82,171
Contributions and donations	138,647	-	138,647
Miscellaneous	34,553	-	34,553
Total revenues	<u>2,699,600</u>	<u>75,343</u>	<u>2,774,943</u>
EXPENDITURES			
Current:			
General government	3,814	-	3,814
Judicial	664,384	-	664,384
Public safety	1,876,620	-	1,876,620
Public works	238,931	-	238,931
Health and welfare	605,877	-	605,877
Culture and recreation	38,580	-	38,580
Housing and development	175,283	-	175,283
Debt service:			
Principal payments	56,603	-	56,603
Interest and fiscal charges	9,995	-	9,995
Capital outlay			
General government	-	600,830	600,830
Public safety	-	767,101	767,101
Public works	-	199,766	199,766
Culture and recreation	-	44,908	44,908
Housing and development	-	553,869	553,869
Total expenditures	<u>3,670,087</u>	<u>2,166,474</u>	<u>5,836,561</u>
Deficiency of revenues under expenditures	<u>(970,487)</u>	<u>(2,091,131)</u>	<u>(3,061,618)</u>
OTHER FINANCING SOURCES AND (USES)			
Proceeds from long-term debt	-	215,760	215,760
Transfers in	1,458,764	629,928	2,088,692
Transfers (out)	(27,226)	-	(27,226)
Total other financing sources (uses)	<u>1,431,538</u>	<u>845,688</u>	<u>2,277,226</u>
Change in fund balances	461,051	(1,245,443)	(784,392)
Fund balances - beginning	<u>2,081,818</u>	<u>4,640,872</u>	<u>6,722,690</u>
Fund balances - ending	<u>\$ 2,542,869</u>	<u>\$ 3,395,429</u>	<u>\$ 5,938,298</u>

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, 2019

	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,915	\$ -	\$ 152,915
Intergovernmental revenue	180,451	-	-	-	8,000	546,462	-	70,065	-	-	-	804,978
Charges for services	-	-	-	-	45,391	-	896,142	-	206,693	-	299,160	1,447,386
Fines and forfeitures	-	26,859	37,375	21,286	-	28,773	-	-	-	-	-	114,293
Investment income	53	152	2	-	114	-	-	-	-	-	6,507	6,828
Contributions and donations	-	-	2,000	-	136,647	-	-	-	-	-	-	138,647
Miscellaneous	34,553	-	-	-	-	-	-	-	-	-	-	34,553
Total revenues	215,057	27,011	39,377	21,286	190,152	575,235	896,142	70,065	206,693	152,915	305,667	2,699,600
EXPENDITURES												
Current:												
General government	-	-	-	-	3,814	-	-	-	-	-	-	3,814
Judicial	-	3,565	-	-	2,983	657,836	-	-	-	-	-	664,384
Public safety	-	-	36,238	-	127,394	-	1,686,623	26,365	-	-	-	1,876,620
Public works	-	-	-	-	5,300	-	-	-	233,631	-	-	238,931
Health and welfare	555,877	-	-	-	-	-	-	50,000	-	-	-	605,877
Culture and recreation	-	-	-	-	38,580	-	-	-	-	-	-	38,580
Housing and development	-	-	-	-	5,000	-	-	-	-	157,824	12,459	175,283
Debt service:												
Principal payments	-	-	-	-	-	-	56,603	-	-	-	-	56,603
Interest and fiscal charges	-	-	-	-	-	-	9,995	-	-	-	-	9,995
Total expenditures	555,877	3,565	36,238	-	183,071	657,836	1,753,221	76,365	233,631	157,824	12,459	3,670,087
Excess (deficiency) of revenues over (under) expenditures	(340,820)	23,446	3,139	21,286	7,081	(82,601)	(857,079)	(6,300)	(26,938)	(4,909)	293,208	(970,487)
OTHER FINANCING SOURCES (USES)												
Transfers in	389,378	-	-	-	12,861	146,250	857,079	-	26,938	26,258	-	1,458,764
Transfers (out)	-	-	-	(9,000)	(18,226)	-	-	-	-	-	-	(27,226)
Total other financing sources (uses)	389,378	-	-	(9,000)	(5,365)	146,250	857,079	-	26,938	26,258	-	1,431,538
Net change in fund balances	48,558	23,446	3,139	12,286	1,716	63,649	-	(6,300)	-	21,349	293,208	461,051
Fund balances - beginning	222,168	141,852	23,780	90,429	162,525	220,161	-	(12,600)	-	329,487	904,036	2,081,818
Fund balances - ending	\$ 270,726	\$165,278	\$ 26,919	\$ 102,715	\$ 164,241	\$ 283,810	\$ -	\$ (18,900)	\$ -	\$ 350,836	\$ 1,197,244	\$ 2,542,869

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, 2019

	SPLOST 2004 Fund	SPLOST 2009 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Parkway Blvd Fund	Total Nonmajor Capital Projects Funds
REVENUES					
Investment income	\$ 75,065	\$ 278	\$ -	\$ -	\$ 75,343
Total revenues	<u>75,065</u>	<u>278</u>	<u>-</u>	<u>-</u>	<u>75,343</u>
EXPENDITURES					
Capital outlay					
General government	342,130	-	258,700	-	600,830
Public safety	-	483,905	283,196	-	767,101
Public works	-	-	199,766	-	199,766
Culture and recreation	-	-	44,908	-	44,908
Housing and development	-	129,965	59,118	364,786	553,869
Total expenditures	<u>342,130</u>	<u>613,870</u>	<u>845,688</u>	<u>364,786</u>	<u>2,166,474</u>
Deficiency of revenues under expenditures	<u>(267,065)</u>	<u>(613,592)</u>	<u>(845,688)</u>	<u>(364,786)</u>	<u>(2,091,131)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	-	-	215,760	-	215,760
Transfers in	-	-	629,928	-	629,928
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>845,688</u>	<u>-</u>	<u>845,688</u>
Net change in fund balances	(267,065)	(613,592)	-	(364,786)	(1,245,443)
Fund balances - beginning	<u>3,315,043</u>	<u>882,742</u>	<u>-</u>	<u>443,087</u>	<u>4,640,872</u>
Fund balances - ending	<u><u>\$ 3,047,978</u></u>	<u><u>\$ 269,150</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 78,301</u></u>	<u><u>\$ 3,395,429</u></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, 2019

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash	\$ 4,453	\$ 6,515	\$ 10,968
Accounts receivable, net	930	6,657	7,587
Prepaid items	1,103	2,298	3,401
Total current assets	6,486	15,470	21,956
Noncurrent assets:			
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	37,519	1,366,654	1,404,173
Total capital assets	162,519	1,391,654	1,554,173
Total assets	169,005	1,407,124	1,576,129
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	-	49,697	49,697
Total assets and deferred outflows	169,005	1,456,821	1,625,826
LIABILITIES			
Current liabilities:			
Accounts payable	54,711	6,901	61,612
Salaries and benefits payable	5,446	9,693	15,139
Total current liabilities	60,157	16,594	76,751
Noncurrent liabilities:			
Compensated absences	6,218	22,925	29,143
Net pension liability	-	276,863	276,863
OPEB liability	-	98,825	98,825
Total noncurrent liabilities	6,218	398,613	404,831
Total liabilities	66,375	415,207	481,582
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	-	5,613	5,613
Total liabilities and deferred inflows	66,375	420,820	487,195
NET POSITION			
Net investment in capital assets	162,519	1,391,654	1,554,173
Unrestricted	(59,889)	(355,653)	(415,542)
Total net position	\$ 102,630	\$ 1,036,001	\$ 1,138,631

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 251,119	\$ 62,368	\$ 313,487
Licenses and permits	5,500	-	5,500
Rents and royalties	-	162,836	162,836
Miscellaneous	-	-	-
Total operating revenues	<u>256,619</u>	<u>225,204</u>	<u>481,823</u>
OPERATING EXPENSES			
Salaries and benefits	143,762	317,657	461,419
Other contracted services	350,037	18,897	368,934
Supplies and materials	15,600	21,079	36,679
Repairs and maintenance	968	4,814	5,782
Utilities	10,207	52,943	63,150
Insurance	5,847	3,480	9,327
Depreciation and amortization	1,840	68,482	70,322
Other charges	15,717	13,740	29,457
Total operating expenses	<u>543,978</u>	<u>501,092</u>	<u>1,045,070</u>
Operating loss	<u>(287,359)</u>	<u>(275,888)</u>	<u>(563,247)</u>
NONOPERATING REVENUES			
Intergovernmental revenue	2,398	-	2,398
Total nonoperating revenues	<u>2,398</u>	<u>-</u>	<u>2,398</u>
Loss before contributions and transfers	(284,961)	(275,888)	(560,849)
Capital contributions - from governmental activities	140,692	-	140,692
Transfers in	265,821	213,708	479,529
Change in net position	121,552	(62,180)	59,372
Total net assets - beginning	<u>(18,922)</u>	<u>1,098,181</u>	<u>1,079,259</u>
Total net position - ending	<u>\$ 102,630</u>	<u>\$ 1,036,001</u>	<u>\$ 1,138,631</u>

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 348,748	\$ 221,707	\$ 570,455
Payments to suppliers	(389,792)	(121,435)	(511,227)
Payments to employees	(224,302)	(307,465)	(531,767)
Net cash (used) by operating activities	<u>(265,346)</u>	<u>(207,193)</u>	<u>(472,539)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	266,241	213,708	479,949
Transfers (out)	(420)	-	(420)
Net cash provided by noncapital financing activities	<u>265,821</u>	<u>213,708</u>	<u>479,529</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	-	-
Cash received from grants	2,397	-	2,397
Net cash provided by capital and related financing activities	<u>2,397</u>	<u>-</u>	<u>2,397</u>
Net change in cash and cash equivalents	2,872	6,515	9,387
Cash - beginning of the year	1,581	-	1,581
Cash - end of the year	<u>\$ 4,453</u>	<u>\$ 6,515</u>	<u>\$ 10,968</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (287,359)	\$ (275,888)	\$ (563,247)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	1,840	68,482	70,322
Change in assets and liabilities:			
Receivables, net	13,917	(3,497)	10,420
Prepaid items	179	(235)	(56)
Accounts payable	8,405	(6,247)	2,158
Accrued expenses	302	1,176	1,478
Compensated absences	(2,630)	203	(2,427)
Net change in pension deferrals	236	(42,963)	(42,727)
Net pension liability	(236)	46,671	46,435
Net OPEB liability	-	5,105	5,105
Net cash (used) by operating activities	<u>\$ (265,346)</u>	<u>\$ (207,193)</u>	<u>\$ (472,539)</u>

Fiduciary Funds

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

**Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
June 30, 2019**

	<u>Tax Commissioner</u>	<u>Sheriff</u>	<u>Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Juvenile Court</u>	<u>Total Fiduciary Funds</u>
ASSETS							
Cash	\$ 11,348	\$ 17,284	\$ 237,464	\$ 155,886	\$ 109,540	\$ 408	\$ 531,930
Total Assets	<u>\$ 11,348</u>	<u>\$ 17,284</u>	<u>\$ 237,464</u>	<u>\$ 155,886</u>	<u>\$ 109,540</u>	<u>\$ 408</u>	<u>\$ 531,930</u>
LIABILITIES							
Due to others	\$ 11,348	\$ 17,284	\$ 237,464	\$ 155,886	\$ 109,540	\$ 408	\$ 531,930
Total Liabilities	<u>\$ 11,348</u>	<u>\$ 17,284</u>	<u>\$ 237,464</u>	<u>\$ 155,886</u>	<u>\$ 109,540</u>	<u>\$ 408</u>	<u>\$ 531,930</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>6/30/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2019</u>
TAX COMMISSIONER				
Assets				
Cash	\$ 100,670	\$ 57,571,109	\$ 57,660,431	\$ 11,348
	<u>100,670</u>	<u>57,571,109</u>	<u>57,660,431</u>	<u>11,348</u>
Liabilities				
Due to others	100,670	57,571,109	57,660,431	11,348
	<u>\$ 100,670</u>	<u>\$ 57,571,109</u>	<u>\$ 57,660,431</u>	<u>\$ 11,348</u>
SHERIFF				
Assets				
Cash	\$ 17,815	\$ 116,068	\$ 116,599	\$ 17,284
	<u>17,815</u>	<u>116,068</u>	<u>116,599</u>	<u>17,284</u>
Liabilities				
Due to others	17,815	116,068	116,599	17,284
	<u>\$ 17,815</u>	<u>\$ 116,068</u>	<u>\$ 116,599</u>	<u>\$ 17,284</u>
SUPERIOR COURT				
Assets				
Cash	\$ 442,524	\$ 2,174,256	\$ 2,379,316	\$ 237,464
	<u>442,524</u>	<u>2,174,256</u>	<u>2,379,316</u>	<u>237,464</u>
Liabilities				
Due to others	442,524	2,174,256	2,379,316	237,464
	<u>\$ 442,524</u>	<u>\$ 2,174,256</u>	<u>\$ 2,379,316</u>	<u>\$ 237,464</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>6/30/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2019</u>
PROBATE COURT				
Assets				
Cash	\$ 88,305	\$ 928,681	\$ 861,100	\$ 155,886
	<u>88,305</u>	<u>928,681</u>	<u>861,100</u>	<u>155,886</u>
Liabilities				
Due to others	88,305	928,681	861,100	155,886
	<u>\$ 88,305</u>	<u>\$ 928,681</u>	<u>\$ 861,100</u>	<u>\$ 155,886</u>
MAGISTRATE COURT				
Assets				
Cash	\$ 91,699	\$ 201,090	\$ 183,249	\$ 109,540
	<u>91,699</u>	<u>201,090</u>	<u>183,249</u>	<u>109,540</u>
Liabilities				
Due to others	91,699	201,090	183,249	109,540
	<u>\$ 91,699</u>	<u>\$ 201,090</u>	<u>\$ 183,249</u>	<u>\$ 109,540</u>
JUVENILE COURT				
Assets				
Cash	\$ 408	\$ 2,607	\$ 2,607	\$ 408
	<u>408</u>	<u>2,607</u>	<u>2,607</u>	<u>408</u>
Liabilities				
Due to others	408	2,607	2,607	408
	<u>\$ 408</u>	<u>\$ 2,607</u>	<u>\$ 2,607</u>	<u>\$ 408</u>
TOTALS				
Assets				
Cash	\$ 741,421	\$ 60,993,811	\$ 61,203,302	\$ 531,930
	<u>741,421</u>	<u>60,993,811</u>	<u>61,203,302</u>	<u>531,930</u>
Liabilities				
Due to others	741,421	60,993,811	61,203,302	531,930
	<u>\$ 741,421</u>	<u>\$ 60,993,811</u>	<u>\$ 61,203,302</u>	<u>\$ 531,930</u>

Compliance

Treadwell, Tamplin & Co.

Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

Ph: 706-342-1040
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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, 2019, 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 31, 2019. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency: **2019-001**

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 31, 2019.

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 31, 2019

Oconee County, Georgia
Schedule of Findings and Responses
June 30, 2019

Significant Deficiency:

2019-001

Criteria: An entity's system of internal control should ensure that one individual does not have the incompatible duties of recording the details into a system which allow transactions to take place and authorizing transactions. In situations where it is impossible to segregate incompatible duties, management should implement sufficient compensating controls to minimize the risk of error or fraud.

Condition: The County's internal control system allowed an employee in the Human Resources department to both have access to making changes in the employee master file used to process payroll and to authorize the submission of the County's payroll via the County's third party payroll processor.

Cause: The County has limited personnel, so it would be impossible to have a perfect segregation of duties. While management put in place a mitigating control requiring a review of payroll, the mitigating control was not sufficient to prevent a unauthorized transactions by an employee.

Effect: One employee, since terminated by management, exploited the incompatible duties to create unauthorized transactions. Over the course of four years, the terminated employee received unauthorized payments totaling \$85,121. The total loss to the County caused by the unauthorized transactions was \$113,452.

Recommendation: We previously recommended to management that it change its policies so that an employee that authorizes the transmission of ACH transactions for payroll would not have access to the employee master file. The County should also include a report from the payroll system showing all changes to direct deposit account information made since the previous payroll run with the payroll information reviewed by senior management prior to approving each payroll run. Management has already implemented our suggestions.

Management response: Management proactively conducted an internal audit and amended its internal control structures prior to outside audit recommendations. As a result of these changes, employee fraud was discovered and structurally remedied. These prior-initiated changes comply with all the auditor's recommended adjustments and the county's practices were in full compliance prior to the issuance of this report.

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2019

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
2004 Referendum***						
Water & Sewer improvements	\$ 6,000,000	\$ 6,970,000	\$ 6,970,000	\$ -	\$ 6,970,000	100.00%
Recreation & cultural facilities	5,000,000	5,031,350	5,031,350	-	5,031,350	100.00%
Roads	6,000,000	6,276,264	6,276,264	-	6,276,264	100.00%
Jail expansion	1,300,000	1,319,670	1,319,670	-	1,319,670	100.00%
Emergency operations center	600,000	681,721	681,721	-	681,721	100.00%
Fire station project	1,500,000	1,500,000	1,500,000	-	1,500,000	100.00%
County facilities expansion and renovation	4,600,000	4,600,000	1,511,591	342,130	1,853,721	40.30%
Totals	\$ 25,000,000	\$ 26,379,005	\$ 23,290,596	\$ 342,130	\$ 23,632,726	
2009 Referendum***						
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	4,212,355	-	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	2,809,496	483,905	3,293,401	100.00%
Communication Facilities	3,232,001	3,454,937	3,454,937	-	3,454,937	100.00%
Farmland Protection	504,984	422,216	292,250	129,965	422,215	100.00%
Payment to Cities						
City of Watkinsville	3,227,960	2,698,890	2,698,891	-	2,698,891	100.00%
Town of Bogart	1,616,000	1,351,134	1,351,134	-	1,351,134	100.00%
Town of North High Shoals	674,680	564,098	564,099	-	564,099	100.00%
Town of Bishop	222,200	185,781	185,781	-	185,781	100.00%
Totals	\$ 40,400,000	\$ 33,778,345	\$ 32,940,027	\$ 613,870	\$ 33,553,897	

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2019

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Restated Prior Years	Current Year	Total	
2015 Referendum***						
Recreation facilities - General Obligation Debt Retirement	\$ 5,592,000	\$ 5,592,000	\$ 1,917,940	765,485	\$ 2,683,425	47.99%
Water & Sewer facilities	12,100,000	12,100,000	589,985	2,572,931	3,162,916	26.14%
Roads, Streets & Bridges	12,000,000	12,000,000	3,736,807	2,540,728	6,277,535	52.31%
Farmland Protection	500,000	500,000	-	339,574	339,574	67.91%
Fire Station and Rescue Facilities and equipment	3,019,500	3,019,500	227,420	1,149,673	1,377,093	45.61%
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	460,724	315,717	776,441	38.82%
Animal Control Facilities	750,000	750,000	10,000	7,200	17,200	2.29%
Economic Development Facilitie	850,000	850,000	-	-	-	0.00%
Recreational and Park Facilities	3,158,000	3,158,000	2,070,923	681,532	2,752,455	87.16%
Law Enforcement Facilities and equipment	3,100,000	3,100,000	1,610,055	468,507	2,078,562	67.05%
Technology Facilities	475,000	475,000	201,915	-	201,915	42.51%
Payment to Cities						
City of Watkinsville	4,746,500	4,746,500	1,660,070	675,767	2,335,837	49.21%
Town of Bogart	1,496,000	1,496,000	523,219	212,988	736,207	49.21%
Town of North High Shoals	1,089,000	1,089,000	380,874	155,043	535,917	49.21%
Town of Bishop	374,000	374,000	130,806	53,247	184,053	49.21%
Totals	\$ 55,000,000	\$ 55,000,000	\$ 13,797,916	9,938,392	\$ 23,736,308	
Expenditures from other source revenue				25,175		
Principal payment on installment agreement				2,400,000		
Total expenditures and transfers reported in the SPLOST 2015 fund				<u>\$ 12,363,567</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, 2019

<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	93-191900111	\$ 37,500	\$ 50,000	\$ 12,500

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures
 For the Year Ended June 30, 2019

Line No.	O.C.G.A. Reference:	
1		Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund
2	46-5-134(e)	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)
		UMB Wholesale Bank (Sprint/Nextel) \$ 1,915.35
		AT&T Mobility \$ 5,635.94
		<hr/> \$ -
3		Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:
3a	46-5-134(f)(1)(A)	Lease costs \$ -
3b	46-5-134(f)(1)(A)	Purchase costs \$ -
3c	46-5-134(f)(1)(A)	Maintenance costs \$ -
4	46-5-134(f)(1)(B)	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges \$ 130,186.39
5		Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2
5a	46-5-134(f)(1)(C)	Salaries and wages \$ 708,799.63
5b	46-5-134(f)(1)(C)	Employee benefits \$ 300,388.67
6	46-5-134(f)(1)(D)	Cost of training of employees who work as dispatchers or directors \$ 4,624.91
7	46-5-134(f)(1)(E)	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services \$ 8,012.29
8		Building used as a public safety answering point:
8a	46-5-134(f)(1)(F)	Lease costs \$ -
8b	46-5-134(f)(1)(F)	Purchase costs \$ -
9		Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:
9a	46-5-134(f)(1)(G)	Lease costs \$ -
9b	46-5-134(f)(1)(G)	Purchase costs \$ -
9c	46-5-134(f)(1)(G)	Maintenance costs \$ -

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures
 For the Year Ended June 30, 2019

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> 100,121.87</u>
15	Mobile public safety voice and data equipment, geo-targeted text messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ <u> 69,515.78</u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ <u> -</u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ <u> 424,020.68</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>

