

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended
June 30, 2012

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2012
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Financial Section

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Oconee County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, Georgia as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 represent 4% and 3%, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the Oconee County Health Department, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

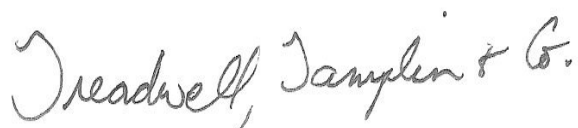
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Oconee County, Georgia as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2012 on our consideration of Oconee County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Retirement Plan - Schedule of Funding Progress, Other Postemployment Benefits - Schedule of Funding Process, and the Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, on pages I through VIII and pages 39-42 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, Georgia's financial statements as a whole. The supplementary information, the Schedule of Special Purpose Local Option Sales Tax, and the Schedule of State Contractual Assistance, 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The supplementary information, the schedule of expenditures of federal awards, the Schedule of Special Purpose Local Option Sales Tax, and the Schedule of State Contractual Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise Oconee County, Georgia's basic financial statements. The bond disclosures and the Certification of 9-1-1 Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

A handwritten signature in cursive script that reads "Treadwell, Jamplin & Co." The signature is written in dark ink and is positioned in the lower-left quadrant of the page.

Watkinsville, Georgia
December 28, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

**OCONEE COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2012**

OCONEE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2012

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

Overview of the Financial Statements

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

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

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

Government-Wide Financial Statements

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

The Statement of Net Assets shows the County's assets less its liabilities at June 30, 2012. The difference between these assets and liabilities is reported as net assets. Assets, liabilities and net assets are reported for all governmental activities separate from the assets, liabilities and net assets of business-type activities. Changes in net assets over time may be helpful in identifying an improving or deteriorating financial position.

The Statement of Activities follows the Statement of Net Assets and presents information showing how the net assets changed during the fiscal year. The statement presents all

underlying events, which give rise to the change, regardless of the timing of the related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

Both statements attempt to distinguish functions of Oconee County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated 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. All funds of Oconee County government can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds essentially account for the same functions as those reported under the government-wide Statement of Net Assets 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 and is 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 government 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, SPLOST Capital Projects Funds 2009 (pg 3).

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

Fiduciary Funds are agency funds held in a custodial nature, but 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 resources of fiduciary funds are not available to support Oconee County Government's general

programs. The accounting used for fiduciary funds is much like that used for proprietary funds. You will note that funds held by Oconee County for investment are reflected in this section as the Agency Fund. The county reports six agency funds – Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court (pg 14).

Notes to the Financial Statement

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

Governmental Activities

The decrease for governmental activity net assets amounted to \$11,894,206. (Exb. 2) This decrease is a combination of factors, which primarily resulted from Oconee County Industrial Development Authority issuing \$10,380,000 in revenue bonds for the Caterpillar project. Additionally, the depreciation of capital assets exceeded capital outlay. Oconee County continues to practice conservative fiscal policies during challenging financial times.

Business-Type Activities

Increases in net assets for business-type activities amounted to a total of \$2,376,577 as a result of operating revenues, capital contributions and transfers in from SPLOST. (Exb.6) SPLOST Capital Projects Fund transferred \$658,276 to the Water and Sewer Fund for the purposes of capital expenses. As part of the Intergovernmental Agreement between the County and the Upper Oconee Basin Water Authority (UOBWA), reconciliation is performed at the Authority's year-end (December 31) to determine the actual cost sharing by each member county. The change in the UOBWA (Due from) is an increase of \$95,748 (Note 14). In October 2007, the county entered into as part of an Intergovernmental Contract with Walton County and the Walton County Water and Sewerage Authority (WCWSA) for a Reservoir Project. The contract indicated that WCWSA would issue Revenue bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000 (Note 6), for the purpose of financing or refinancing all or a portion of the cost of acquiring, constructing, installing and equipping a reservoir and related treatment and transmission facilities, paying capitalized interest on the Series 2008 Bonds, funding a debt service reserve and paying the costs of issuing the Series 2008 Bonds. The county intends to make the contract payments with revenues derived from its water and sewerage system.

Financial Analysis of Oconee County's Funds

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

Governmental Funds

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

As of June 30, 2012, Oconee County governmental funds reported combined fund balances of \$17,767,651, (Exb.4) a decrease of \$1,078,731(Exb.4.) over prior year balances, primarily utilizing SPLOST funds.

General Fund is the chief operating fund of the county. At June 30, 2012, total fund balance in the general fund was \$8,610,093. (Exb.4) There was a decrease of \$1,203,376 (Exb.4) in the general fund balance. The Board of Commissioners took measures to address areas of critical needs for public safety, other strategic projects and capital needs which had been delayed from previous fiscal years. Additionally, deferred revenue from the State of Georgia for \$688,436 for Right of Way purchases in FY12 would cause the fund balance to rise (Exb. 3.1).

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.

G.O. Bond Fund reflects funds held in investment as a result of a referendum approved to acquire property and construct new recreational facilities. The county refunded the series 2003 bonds and issued series 2011 bonds, effectively retiring the 2003 series bonds. The county saved \$745,129 of debt service costs over the life of the bonds by taking advantage of the lower rates. (Note 6)

Special Revenue Fund by ordinance the Oconee County Board of Commissioners authorized an excise tax on rooms, lodgings and accommodations to contribute to the promotion of tourism, conventions and trade shows. In fiscal year 2010, the operation of a hotel and the excise tax revenue collections were initiated. The revenue for the period ending 6/30/12 totaled \$106,847. (Note 15)

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, 2012, total net assets amounted to \$57,530,493 (Exb.6), a net increase of \$2,376,577 (Exb.6). Net asset changes are a result of operations, non-operating revenues, depreciation, expenses, capital contributions, donated assets and grants. The two funds in this category, Water & Sewer Fund and Other Enterprise Funds (Solid Waste Fund and Special Facilities Fund) receive additional revenue from such areas as user fees, licenses, permits, rent and donated infrastructure.

Program Revenue, General Revenue and Total Revenue

Total Program revenues for primary government increased from the previous fiscal year. The county received operating and capital grants which were a driving force in the increase. The E911 radio tower grant was most substantial of the grants. The general state of the economy also improved, as did Sales Tax revenues.

Financial Highlights

In March 2012, Oconee County was selected as the site for the Caterpillar facility. Construction began in May of 2012 and is still underway. The Oconee County Industrial Development Authority issued \$10,380,000 of revenue bonds for the site and infrastructure development. The county is responsible for debt service payments on the bonds. The economy in Oconee County is returning to normal levels faster than neighboring counties in the region. Primary factors were low unemployment, new revenue sources through small business activity and an increase in new housing starts. Sales Tax revenue and economic activity has increased over the period slightly faster than projected. Fee increases helped boost program revenues and charges for services. Lower interest rates enabled the G. O. bond refinancing to become a prudent financial decision. All of these factors enabled Oconee County to maintain the budget at current levels and even lower it in some cases. The millage was maintained while the property digest decreased and personnel numbers were lowered through a voluntary early retirement program. The Transportation Improvement & Maintenance Program & Water and Sewer Improvement plans are funded through SPLOST funds and remain within budget for infrastructure improvements. SPLOST now funds debt repayment for the Jail Complex and Veteran's Park G.O bond repayment, as approved by a 2009 referendum. Oconee County maintained its excellent bond rating status during the refinancing of the G. O. bonds. The Aa2 rating remains the gold standard for Oconee. Oconee County's total assets exceeded total liabilities at June 30, 2012, by \$138,841,617 (Exb.1 (net assets)). Of this amount, \$6,175,113 (Exb.1) (unrestricted net assets) may be used to meet the county's ongoing obligations to citizens and creditors.

As a whole, the financial position of the Oconee County government improved as compared to recent years. At June 30, 2012, Oconee County's Governmental Fund Statement Report combined ending fund balances of \$17,767,651 (Exb.4) decreased \$1,078,731 (Of this amount, \$8,599,981 (Exb.3) is restricted for Capital projects which commits the following funds: SPLOST 2004 - \$5,148,402, SPLOST 2009 - \$3,405,169, Hotel Motel - \$44,977, GO Bond - \$1,433 (Exb.3). General Fund has committed \$4,000,000 to advance fund GDOT project SR53/Mars Hill Road. Reimbursement from the State of Georgia will encompass (3) drawdowns. As of June 30, 2012, deferred revenue from the State of Georgia totaled \$688,436.

The General Fund reported an adequate unassigned fund balance of \$4,439,027 (Exb.3) During Fiscal Year 2012, the government in accordance with GASB statement number 45, accounting and financial reporting by employees for post-employment benefits other than pensions continued to remain in effect. Additionally, the plan was amended during Fiscal Year 2012. (Note 9) The County implemented GASB 54 Fund Balance reporting and governmental fund type definitions. (Exb.3)

Government – Wide Financial Analysis

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2011 and the fiscal year ended June 30, 2012. The comparative data highlights Government-wide net assets (Table 1) and changes in net assets (Table 2). Fiscal year ended 2012 shows a decrease in net assets of \$9.52 million over the previous fiscal year.

Budget Variations

The original General Fund budget for the fiscal year end June 30, 2012, reflected anticipated revenues of \$18,895,886 and expenditures of \$15,969,809. The final budget for the fiscal year showed revenues of \$21,392,574 and expenditures of \$20,533,207, while the actual results for fiscal year ending June 30, 2012, indicated revenues of \$20,710,654 and expenditures of \$19,843,651. The local economy improved in Oconee County. Primary factors were low unemployment and new revenue sources through small business activity. Sales Tax revenue has continued to increase over the period and economic activity has increased.

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 6. 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.

Oconee County, Georgia
For the Year Ended June 30, 2012

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Assets						
Current & Other Assets	20.65	19.99	29.09	25.84	49.74	45.83
Capital Assets, Net	91.06	88.61	71.65	75.28	162.71	163.89
Total Assets	111.71	108.60	100.74	101.12	212.45	209.72
Liabilities						
Current & Other Liabilities	1.60	1.23	1.55	1.28	3.15	2.51
Long-Term Liabilities						
Due Within One Year	1.23	1.39	1.25	1.36	2.48	2.75
Due in More Than One Year	15.67	24.67	42.78	40.95	58.45	65.62
Total Liabilities	18.50	27.29	45.58	43.59	64.08	70.88
Net Assets						
Invested in Capital						
Assets Net of Debt	74.77	73.58	44.77	47.51	119.54	121.09
Restricted						
Capital Projects	8.44	8.60	0.00	0.00	8.44	8.60
Judicial	0.10	0.13	0.00	0.00	0.10	0.13
Public Safety	0.15	0.16	0.00	0.00	0.15	0.16
Debt Service	0.00	0.00	2.38	2.43	2.38	2.43
Other Purposes	0.21	0.26	0.00	0.00	0.21	0.26
Unrestricted	9.54	(1.42)	8.00	7.59	17.54	6.17
Total Net Assets	93.21	81.31	55.15	57.53	148.36	138.84

Oconee County, Georgia
For the Year Ended June 30, 2012

Table 2
Changes in Net Assets
(in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2011	2012	2011	2012	2011	2012
Revenue						
Program Revenues:						
Charges for Services	4.44	4.18	6.91	7.67	11.35	11.85
Operating Grants & Contributions	0.62	1.86	0.01	0.01	0.63	1.87
Capital Grants & Contributions	0.39	1.03	0.34	0.29	0.73	1.32
General Revenues:						
Property Taxes	10.83	10.21			10.83	10.21
Sales Taxes	10.12	10.66			10.12	10.66
Intangible Taxes	0.29	0.36			0.29	0.36
Business Taxes	1.15	1.27			1.15	1.27
Franchise Fees	0.19	0.21			0.19	0.21
Other Taxes	0.21	0.22			0.21	0.22
Investment Earnings	0.02	0.04	0.05	0.03	0.07	0.07
Miscellaneous	0.02	0.00	0.01	0.00	0.03	0.00
Gain on Disposal of Capital Asset	0.13	0.00	0.00	0.00	0.13	0.00
Total Revenues	28.41	30.04	7.32	8.00	35.73	38.04
Program Expenses						
General Government	6.00	5.99			6.00	5.99
Judicial	1.98	1.96			1.98	1.96
Public Safety	8.38	8.36			8.38	8.36
Public Works	8.71	8.31			8.71	8.31
Health & Welfare	0.71	0.65			0.71	0.65
Culture & Recreation	3.34	3.40			3.34	3.40
Housing & Development	1.20	11.41			1.20	11.41
Interest & Fiscal Charges	0.79	0.57			0.79	0.57
Water & Sewer			5.65	5.83	5.65	5.83
Solid Waste			0.51	0.45	0.51	0.45
Special Facilities			0.64	0.63	0.64	0.63
Total Expenses	31.11	40.65	6.80	6.91	37.91	47.56
Excess (Deficiency) Before Transfers & Contributions	(2.70)	(10.61)	0.52	1.09	(2.18)	(9.52)
Total Transfers	(1.27)	(1.29)	1.27	1.29	0.00	0.00
Increase in Net Assets	(3.97)	(11.90)	1.79	2.38	(2.18)	(9.52)
Beginning Net Assets	97.18	93.21	53.36	55.15	150.54	148.36
Ending Net Assets	93.21	81.31	55.15	57.53	148.36	138.84

Basic Financial Statements

Oconee County, Georgia
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority	Health Department
ASSETS					
Cash	\$ 5,531,283	\$ 1,901,185	\$ 7,432,468	\$ 5,199,387	\$ 409,434
Investments, plus accrued interest	11,137,062	2,794,229	13,931,291	-	-
Accounts receivable, net	227,456	654,949	882,405	-	34,371
Taxes receivable, net	185,053	-	185,053	-	-
Internal balances	53,839	(53,839)	-	-	-
Due from other governments	1,820,958	148,872	1,969,830	4,367,707	-
Due from component unit	118,013	-	118,013	-	-
Prepaid expenses	178,149	12,338	190,487	-	-
Restricted cash	171,340	1,109,191	1,280,531	-	-
Restricted investments	-	7,369,722	7,369,722	-	-
Net pension asset	118,748	14,348	133,096	-	-
Investment - UOBWA, net	-	11,172,262	11,172,262	-	-
Bond and note issuance costs, net	440,883	717,912	1,158,795	-	-
Capital assets					
Land	10,444,867	3,592,714	14,037,581	1,176,848	-
Construction in progress	7,399,495	15,681,227	23,080,722	-	-
Intangibles	-	58,296	58,296	-	-
Land improvements, net	-	18,118	18,118	-	-
Equipment, furniture and vehicles, net	3,168,140	187,281	3,355,421	-	7,854
Treatment and distribution system, net	-	53,765,980	53,765,980	-	-
Building and improvements, net	28,790,928	1,975,520	30,766,448	434,517	-
Infrastructure, net	38,810,606	-	38,810,606	-	-
Total capital assets	88,614,036	75,279,136	163,893,172	1,611,365	7,854
Total assets	108,596,820	101,120,305	209,717,125	11,178,459	451,659
LIABILITIES					
Accounts payable	655,783	189,310	845,093	4,409,000	34,603
Accounts payable from restricted assets	10,300	-	10,300	-	-
Retainage payable	-	32,377	32,377	-	-
Salaries and benefits payable	152,466	45,179	197,645	-	-
Due to other governments	-	-	-	118,013	-
Customer deposits	-	444,591	444,591	-	-
Accrued interest	414,199	574,371	988,570	-	-
OPEB obligation	2,735	-	2,735	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Bonds, notes, leases, and contracts payable	1,385,616	1,356,125	2,741,741	-	-
Compensated absences	-	-	-	-	7,731
Portion due or payable after one year:					
Bonds, notes, leases, and contracts payable, net	24,016,010	40,852,501	64,868,511	-	-
Compensated absences	648,587	95,358	743,945	-	33,747
Total liabilities	27,285,696	43,589,812	70,875,508	4,527,013	76,081
NET ASSETS					
Invested in capital assets, net of related debt	73,580,711	47,512,200	121,092,911	1,611,365	7,854
Restricted for:					
Capital projects	8,599,981	-	8,599,981	4,777,006	-
Judicial	124,766	-	124,766	-	-
Public safety	163,761	-	163,761	-	-
Debt service	-	2,425,842	2,425,842	-	-
Other purposes	259,243	-	259,243	-	-
Unrestricted	(1,417,338)	7,592,451	6,175,113	263,075	367,724
Total net assets	\$ 81,311,124	\$ 57,530,493	\$ 138,841,617	\$ 6,651,446	\$ 375,578

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

Oconee County, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Industrial Development Authority	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	\$ 5,989,214	\$ 870,145	\$ -	\$ -	\$ (5,119,069)		\$ (5,119,069)		
Judicial	1,966,214	824,080	358,801	-	(783,333)		(783,333)		
Public safety	8,358,696	957,752	1,252,148	-	(6,148,796)		(6,148,796)		
Public works	8,312,008	39,203	630	1,008,621	(7,263,554)		(7,263,554)		
Health and welfare	647,376	-	193,024	-	(454,352)		(454,352)		
Culture and recreation	3,400,704	1,034,622	53,795	21,388	(2,290,899)		(2,290,899)		
Housing and development	11,405,971	451,799	3,250	-	(10,950,922)		(10,950,922)		
Interest and fiscal charges	571,395	-	-	-	(571,395)		(571,395)		
Total governmental activities	40,651,578	4,177,601	1,861,648	1,030,009	(33,582,320)		(33,582,320)		
Business-type:									
Water and sewer	5,825,765	7,252,762	-	279,627		\$ 1,706,624	1,706,624		
Solid waste	449,205	215,481	-	-		(233,724)	(233,724)		
Special facilities	633,822	204,235	10,000	-		(419,587)	(419,587)		
Total business-type activities	6,908,792	7,672,478	10,000	279,627		1,053,313	1,053,313		
Component units:									
Oconee Co Industrial Dev. Auth	9,998,380	132,354	-	14,720,042			\$ 4,854,016	\$ -	
Oconee Co Health Department	623,965	263,107	270,630	-			-	(90,228)	
Total component units	10,622,345	395,461	270,630	14,720,042			4,854,016	(90,228)	
Total Oconee County	\$ 58,182,715	\$ 12,245,540	\$ 2,142,278	\$ 16,029,678	(33,582,320)	1,053,313	(32,529,007)		
General revenues:									
Taxes									
Property taxes, levied for general purposes					10,213,072	-	10,213,072	-	-
Sales tax					10,661,566	-	10,661,566	-	-
Intangible tax					364,822	-	364,822	-	-
Business taxes					1,271,289	-	1,271,289	-	-
Franchise taxes					213,213	-	213,213	-	-
Other taxes					216,511	-	216,511	-	-
Investment earnings					19,699	34,908	54,607	1,695	4,476
Gain on disposal of capital asset					16,298	-	16,298	-	-
Transfers					(1,288,356)	1,288,356	-	-	-
Total general revenues and transfers					21,688,114	1,323,264	23,011,378	1,695	4,476
Change in net assets					(11,894,206)	2,376,577	(9,517,629)	4,855,711	(85,752)
Net assets - beginning					93,205,330	55,153,916	148,359,246	1,795,735	461,330
Net assets - ending					\$ 81,311,124	\$ 57,530,493	\$ 138,841,617	\$ 6,651,446	\$ 375,578

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

Oconee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	SPLOST 2009 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,124,923	\$ 2,883,555	\$ 522,804	\$ 5,531,282
Investments	6,055,269	-	5,081,793	11,137,062
Accounts receivable, net	121,443	7	116,445	237,895
Taxes receivable, net	168,758	-	5,855	174,613
Internal balances	213,914	-	241,679	455,593
Due from other governments	1,286,933	469,753	64,271	1,820,957
Due from component unit	118,013	-	-	118,013
Prepaid items	171,066	-	7,083	178,149
Restricted cash	10,300	161,040	-	171,340
Total assets	\$ 10,270,619	\$ 3,514,355	\$ 6,039,930	\$ 19,824,904
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 388,844	\$ 109,186	\$ 153,954	\$ 651,984
Internal balances	298,559	-	103,195	401,754
Salaries and benefits payable	131,417	-	24,845	156,262
Deferred revenue - property taxes	142,970	-	5,547	148,517
Deferred revenue - grants	688,436	-	-	688,436
Bonds and deposits-payable from restricted cash	10,300	-	-	10,300
Total liabilities	1,660,526	109,186	287,541	2,057,253
Fund balances:				
Nonspendable	171,066	-	7,083	178,149
Restricted				
Capital projects	-	3,405,169	5,194,812	8,599,981
Judicial	-	-	124,766	124,766
Public safety	-	-	163,761	163,761
Culture and recreation	-	-	82,886	82,886
Housing and development	-	-	176,357	176,357
Committed				
Public works	4,000,000	-	-	4,000,000
Assigned				
Health and welfare	-	-	89,196	89,196
Unassigned	4,439,027	-	(86,472)	4,352,555
Total fund balances	8,610,093	3,405,169	5,752,389	17,767,651
Total liabilities and fund balances	\$ 10,270,619	\$ 3,514,355	\$ 6,039,930	\$ 19,824,904

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 Assets
June 30, 2012

Total <i>fund</i> balances for governmental funds (Exhibit 3)		\$ 17,767,651
Total <i>net assets</i> reported for governmental activities in the Statement of Net Assets 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:		
Land	10,444,867	
Construction in progress	7,399,495	
Infrastructure, net	38,810,606	
Buildings and improvements, net	28,790,928	
Equipment, furniture and vehicles, net	3,168,140	
Total capital assets		88,614,036
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 deferred revenue in the funds.		
		148,517
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 Assets. The reimbursements must be received in time to liquidate current obligations to be considered available and reported as revenue in the funds.		
		688,436
The bond issuance costs are not recorded on the fund level balance sheet as it does represent a current financial resource.		
		440,883
The net pension benefit is not recorded on the fund level balance sheet as it does represent a current financial resource.		
		118,748
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 Assets. Balances at June 30, 2012 are:		
Accrued interest on bonds	\$ (414,199)	
Bonds, notes, and capital leases payable	(25,401,626)	
Net OPEB obligation	(2,735)	
Compensated absences - long-term	(648,587)	
Total long-term liabilities		(26,467,147)
Total net assets of governmental activities (Exhibit 1)		\$ 81,311,124

Oconee County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	<u>General Fund</u>	<u>SPLOST 2009 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 17,211,314	\$ 5,463,751	\$ 106,847	\$ 22,781,912
Licenses and permits	438,704	-	-	438,704
Intergovernmental revenue	35,374	304,360	1,732,248	2,071,982
Charges for services	2,493,135	-	866,677	3,359,812
Fines and forfeitures	441,736	-	81,066	522,802
Investment income	17,958	9,377	8,050	35,385
Contributions and donations	-	-	72,468	72,468
Miscellaneous	72,433	-	22,058	94,491
Total revenues	<u>20,710,654</u>	<u>5,777,488</u>	<u>2,889,414</u>	<u>29,377,556</u>
EXPENDITURES				
Current:				
General government	4,861,105	-	6,749	4,867,854
Judicial	1,493,166	-	456,522	1,949,688
Public safety	6,408,429	-	2,494,420	8,902,849
Public works	3,291,945	-	211,330	3,503,275
Health and welfare	181,329	-	430,958	612,287
Culture and recreation	2,597,139	-	37,191	2,634,330
Housing and development	1,010,538	-	100,552	1,111,090
Debt service:				
Principal payments	-	1,229,019	-	1,229,019
Interest and fiscal charges	-	386,729	207,482	594,211
Capital outlay:				
General government	-	-	342,392	342,392
Public safety	-	174,656	228,823	403,479
Public works	-	1,999,031	190,538	2,189,569
Culture and recreation	-	-	165,700	165,700
Housing and development	-	111,000	-	111,000
Intergovernmental	-	776,400	-	776,400
Total expenditures	<u>19,843,651</u>	<u>4,676,835</u>	<u>4,872,657</u>	<u>29,393,143</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>867,003</u>	<u>1,100,653</u>	<u>(1,983,243)</u>	<u>(15,587)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	10,095,000	10,095,000
Premiums on debt issued	-	-	428,785	428,785
Proceeds from sale of capital assets	16,298	-	-	16,298
Other financing use - payment to refunded bond escrow agent				
	-	-	(10,314,871)	(10,314,871)
Transfers in	14,353	42,250	1,480,041	1,536,644
Transfers (out)	(2,101,030)	-	(723,970)	(2,825,000)
Total other financing sources (uses)	<u>(2,070,379)</u>	<u>42,250</u>	<u>964,985</u>	<u>(1,063,144)</u>
Net change in fund balances	(1,203,376)	1,142,903	(1,018,258)	(1,078,731)
Fund balances - beginning	9,813,469	2,262,266	6,770,647	18,846,382
Fund balances - ending	<u>\$ 8,610,093</u>	<u>\$ 3,405,169</u>	<u>\$ 5,752,389</u>	<u>\$ 17,767,651</u>

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

Oconee County, Georgia
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ (1,078,731)

The change in *net assets* 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 (\$3,108,340) is exceeded by depreciation (\$5,576,909) in the current period. (2,468,569)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount recorded as a contribution for donation of infrastructure. 21,388

Changes in the net pension benefit (obligation) are not reported in the funds because they do not represent the receipt or consumption of current financial assets. In the Statement of Activities, the change in the net pension benefit is reported as an increase or decrease in expense. 84,573

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 has recorded a special item related to changes in its OPEB plan for \$582,553. The County also accrued the increase in the OPEB obligation which represents the difference between the actuarially determined OPEB costs and the current payment of financial resources. 42,505

Governmental funds defer all tax revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the amount by which the current year deferral (\$206,478) is exceeded by the prior year deferral (\$286,676). (57,962)

Governmental funds also defer certain other revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual method, and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the amount which was deferred related to a intergovernmental contract this year. 688,436

Proceeds from general obligation bonds are reported as an other financing source in the fund statements as they represent current financial resources. Under the full accrual method, bond issuances do not affect the operating statement. (10,523,785)

Payments for bond issuance costs are reported as expenditures in the fund statements, but are reported as assets and amortized on the Statement of Net Assets. 207,482

Nonexchange transactions are only reported in the funds to the extent that they require the expenditure of current financial resources. The County has unconditionally agreed to repay revenue bonds issued by the Oconee County Industrial Development Authority issued for economic. The agreement to repay the bonds represents an expense under the accrual method because the bond proceeds were not used to purchase an asset for the County. (10,163,194)

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, 2012

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, 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	11,543,890	
Accrued interest on debt	(166,806)	
Amortization of deferred amount on bond refunding	(12,998)	
Amortization of bond premiums and discounts	17,519	
Amortization of issuance costs	<u>(25,666)</u>	
		11,355,939

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.

(2,288)

Change in net assets of governmental activities (Exhibit 2)

\$ (11,894,206)

Oconee County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2012

ASSETS	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
Current assets:			
Cash	\$ 1,900,377	\$ 808	\$ 1,901,185
Investments, plus accrued interest	2,794,229	-	2,794,229
Accounts receivable, less allowance of \$83,776	646,070	8,879	654,949
Internal balances	-	81,635	81,635
Due from other governments	148,872	-	148,872
Prepaid items	7,878	4,460	12,338
Restricted cash	444,591	-	444,591
Total current assets	<u>5,942,017</u>	<u>95,782</u>	<u>6,037,799</u>
Noncurrent assets:			
Restricted cash	664,600	-	664,600
Restricted investments	7,369,722	-	7,369,722
Investment - UOBWA, net	11,172,262	-	11,172,262
Bond and note issuance costs, net	717,912	-	717,912
Net pension asset	9,412	4,936	14,348
Capital assets			
Land	3,442,714	150,000	3,592,714
Construction in progress	15,681,227	-	15,681,227
Intangibles	58,296	-	58,296
Land improvements, net	-	18,118	18,118
Equipment, furniture and vehicles, net	112,183	75,098	187,281
Treatment and distribution system, net	53,765,980	-	53,765,980
Building and improvements, net	200,534	1,774,986	1,975,520
Total capital assets	<u>73,260,934</u>	<u>2,018,202</u>	<u>75,279,136</u>
Total noncurrent assets	<u>93,194,842</u>	<u>2,023,138</u>	<u>95,217,980</u>
Total assets	<u>99,136,859</u>	<u>2,118,920</u>	<u>101,255,779</u>
LIABILITIES			
Current liabilities:			
Accounts payable	154,621	34,689	189,310
Retainage payable	32,377	-	32,377
Internal balances	135,474	-	135,474
Salaries and benefits payable	16,075	29,104	45,179
Customer deposits-payable from restricted cash	444,591	-	444,591
Accrued interest	574,371	-	574,371
Bonds, notes and contracts payable	1,356,125	-	1,356,125
Total current liabilities	<u>2,713,634</u>	<u>63,793</u>	<u>2,777,427</u>
Noncurrent liabilities:			
Bonds, notes and contracts payable, net	40,852,501	-	40,852,501
Compensated absences	58,432	36,926	95,358
Total noncurrent liabilities	<u>40,910,933</u>	<u>36,926</u>	<u>40,947,859</u>
Total liabilities	<u>43,624,567</u>	<u>100,719</u>	<u>43,725,286</u>
NET ASSETS			
Invested in capital assets, net of related debt	45,493,998	2,018,202	47,512,200
Restricted for debt service	2,425,842	-	2,425,842
Unrestricted	7,592,452	(1)	7,592,451
Total net assets	<u>\$ 55,512,292</u>	<u>\$ 2,018,201</u>	<u>\$ 57,530,493</u>

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

Oconee County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
OPERATING REVENUES			
Charges for services	\$ 6,678,469	\$ 290,778	\$ 6,969,247
Licenses and permits	-	7,000	7,000
Rents and royalties	-	119,506	119,506
Miscellaneous	160,058	13,470	173,528
Total operating revenues	<u>6,838,527</u>	<u>430,754</u>	<u>7,269,281</u>
OPERATING EXPENSES			
Salaries and benefits	1,136,458	601,225	1,737,683
Other contracted services	87,814	211,763	299,577
Water purchase and treatment costs	1,056,457	-	1,056,457
Supplies and materials	61,989	39,733	101,722
Repairs and maintenance	323,991	9,347	333,338
Utilities	335,581	66,326	401,907
Insurance	11,085	8,867	19,952
Depreciation	1,467,400	77,942	1,545,342
Other charges	89,037	68,862	157,899
Total operating expenses	<u>4,569,812</u>	<u>1,084,065</u>	<u>5,653,877</u>
Operating income (loss)	<u>2,268,715</u>	<u>(653,311)</u>	<u>1,615,404</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	34,908	-	34,908
Water availability fees	225,941	-	225,941
Sewer capacity fees	167,494	-	167,494
Sewer connection fees	20,800	-	20,800
Loss on disposal of capital assets	(31,873)	-	(31,873)
Amortization expense - UOBWA	(167,378)	-	(167,378)
Interest expense	(1,056,702)	-	(1,056,702)
Total nonoperating revenue (expenses)	<u>(806,810)</u>	<u>-</u>	<u>(806,810)</u>
Income (loss) before contributions and transfers	1,461,905	(653,311)	808,594
Capital contributions	279,627	-	279,627
Transfers in	658,276	635,192	1,293,468
Transfers (out)	-	(5,112)	(5,112)
Change in net assets	2,399,808	(23,231)	2,376,577
Total net assets - beginning	<u>53,112,484</u>	<u>2,041,432</u>	<u>55,153,916</u>
Total net assets - ending	<u>\$ 55,512,292</u>	<u>\$ 2,018,201</u>	<u>\$ 57,530,493</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, 2012

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 6,819,675	\$ 441,757	\$ 7,261,432
Payments to suppliers	(2,095,985)	(456,460)	(2,552,445)
Payments to employees	(1,164,615)	(601,230)	(1,765,845)
Receipts from others	83,243	-	83,243
Net cash provided (used) by operating activities	<u>3,642,318</u>	<u>(615,933)</u>	<u>3,026,385</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	630,080	630,080
Interfund loans - proceeds and collections	113,407	40,764	154,171
Net cash provided by noncapital financing activities	<u>113,407</u>	<u>670,844</u>	<u>784,251</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(5,117,093)	(54,711)	(5,171,804)
Transfers in used for construction of capital assets	658,276	-	658,276
Proceeds from notes payable	1,201,179	-	1,201,179
Principal payments on debt	(2,767,502)	-	(2,767,502)
Interest payments on debt	(992,821)	-	(992,821)
Sewer capacity and connection fees from customers	414,235	-	414,235
Proceeds from sale of capital assets	3,034	-	3,034
Net cash used for capital and related financing activities	<u>(6,600,692)</u>	<u>(54,711)</u>	<u>(6,655,403)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	34,908	-	34,908
Proceeds from sale of investments	3,780,426	-	3,780,426
Net cash provided by investing activities	<u>3,815,334</u>	<u>-</u>	<u>3,815,334</u>
Net change in cash	970,367	200	970,567
Cash - beginning	2,039,201	608	2,039,809
Cash - end	<u>\$ 3,009,568</u>	<u>\$ 808</u>	<u>\$ 3,010,376</u>
Displayed as:			
Cash	\$ 1,900,377	\$ 808	\$ 1,901,185
Restricted cash - current	444,591	-	444,591
Restricted cash - noncurrent	664,600	-	664,600
	<u>\$ 3,009,568</u>	<u>\$ 808</u>	<u>\$ 3,010,376</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 2,268,715	\$ (653,311)	\$ 1,615,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,467,400	77,942	1,545,342
Change in assets and liabilities:			
Receivables, net	108,643	11,003	119,646
Prepaid items	(86)	38	(48)
Due from other governments	(76,815)	-	(76,815)
Net pension asset	(6,966)	(3,395)	(10,361)
Accounts payable	(129,945)	(37,258)	(167,203)
Accrued expenses	(25,689)	(14,022)	(39,711)
Customer deposits	32,563	-	32,563
Compensated absences	4,498	3,070	7,568
Net cash provided (used) by operating activities	<u>\$ 3,642,318</u>	<u>\$ (615,933)</u>	<u>\$ 3,026,385</u>
Non-cash investing, capital and financing activities:			
Note payable forgiven by GEFA	\$ 180,177	\$ -	\$ 180,177
Contribution of water system assets	99,450	-	99,450

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

Oconee County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	Agency Funds
ASSETS	
Cash	<u>\$ 366,131</u>
Total assets	<u>366,131</u>
 LIABILITIES	
Due to others	<u>366,131</u>
Total liabilities	<u>366,131</u>
NET ASSETS	<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, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

The financial statements of Oconee County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

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

Oconee County Industrial Development Authority - The financial operations of the Industrial Development Authority are presented in the Authority's stand-alone statements as governmental activities. The five voting members of the Authority 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.

Oconee County Health Department - The Health Department was created by state legislative act in 1964 to provide various health related programs such as immunization, family planning, and nutrition services. It operates under an Executive Officer and a seven member board comprised of the following: the Chairman of the Board of Commissioners, the Oconee County School Superintendent, and the Mayor of the City of Watkinsville, three at-large members appointed by the County, and one at-large member appointed by the City of Watkinsville.

Each discretely presented component unit issues separate financial statements and has a June 30 fiscal year-end. Complete financial statements of the individual component units can be obtained from their respective administrative offices:

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

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

Blended Component Units - Based on the GASB criteria, the County has no entities that qualify as blended component units.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets 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 2009 – 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 2009 SPLOST referendum as well as the specifically identified projects for which the SPLOST tax was established.

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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies, continued

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 June 30, 2012: 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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, 2012

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 June 30, 2012.

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 three months or less.

Investments are recorded at cost plus accrued interest, which approximates market value.

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 \$83,776 for the year ended June 30, 2012.

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 are levied approximately October 1 of each year and are due 60 days after issuance. Taxes receivable at June 30, 2012 amounted to \$174,613 while deferred property tax revenue totaled \$148,517.

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, 2012

Note 1: Summary of Significant Accounting Policies, continued

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 are recorded as capital assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

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

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

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

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

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

K. Restricted Assets

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

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies, continued

L. Fund Equity

As of June 30, 2011, the County adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, improve the usefulness of fund balance information, and clarify the definitions of the governmental fund types. As a result of the implementation, the governmental funds now 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 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

Custodial Credit Risk-Deposits

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, 2012, none of the County's deposits was exposed to custodial credit risk.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

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, 2012, the County had \$19,401,717 invested in Georgia Fund 1. Georgia Fund 1, created by *O.C.G.A. 36-83-8*, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is 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 Treasury and Fiscal Services. 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 40 requires disclosure when the percent is 5% or more in any one issuer. The County had no investments that met this requirement at June 30, 2012.

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, 2012

Note 2: Deposits and Investments, continued

As of June 30, 2012, the County had the following investments:

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Maturities</u>	<u>Fair Value</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAm	51 days	894,933
Certificates of deposit		12 month	1,899,296
<u>General Fund</u>			
Georgia Fund 1	AAAm	51 days	6,055,269
<u>SPLOST 2004 Fund</u>			
Certificates of deposit		12 month	5,081,793
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAm	51 days	7,008,905
Fidelity Treasury Money Market Shares	AAAm	53 days	360,817
	Total restricted		<u>7,369,722</u>
	Total investments		<u>\$ 21,301,013</u>

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

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. The County has no policy on custodial credit risk for investments.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 2: Deposits and Investments, continued

Restricted Cash and Investments

As of June 30, 2012, the County had the following restricted assets:

<u>Purpose</u>	<u>Balance</u>
<u>General Fund</u>	
Liability bonds payable	\$ 10,300
<u>SPLOST 2009</u>	
Lease proceeds for construction	161,040
<u>Water and Sewer Fund</u>	
Customer deposits	444,566
Restricted cash - current	<u>444,566</u>
<u>Water and Sewer Fund</u>	
Debt service reserve 2009 bonds	664,625
Restricted cash - noncurrent	<u>664,625</u>
<u>Water and Sewer Fund</u>	
Construction proceeds 2008 WCWSA Contract Payable	5,601,648
Debt service reserve 2008 WCWSA Contract Payable	1,407,257
Debt service reserve 2003 bonds	360,817
Restricted investments - noncurrent	<u>\$ 7,369,722</u>

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

<u>Primary Government</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,444,867	\$ -	\$ -	\$ 10,444,867
Construction in progress	4,954,980	2,702,015	257,500	7,399,495
Total capital assets not being depreciated	<u>15,399,847</u>	<u>2,702,015</u>	<u>257,500</u>	<u>17,844,362</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	105,142,654	-	-	105,142,654
Buildings and improvements	36,918,115	278,887	-	37,197,002
Equipment, furniture and vehicles	13,224,412	406,325	337,958	13,292,779
Total capital assets being depreciated	<u>155,285,181</u>	<u>685,212</u>	<u>337,958</u>	<u>155,632,435</u>
Less accumulated depreciation for:				
Infrastructure	62,630,691	3,701,357	-	66,332,048
Buildings and improvements	7,218,002	1,188,072	-	8,406,074
Equipment, furniture and vehicles	9,775,117	687,480	337,958	10,124,639
Total accumulated depreciation	<u>79,623,810</u>	<u>5,576,909</u>	<u>337,958</u>	<u>84,862,761</u>
Total capital assets being depreciated, net	<u>75,661,371</u>	<u>(4,891,697)</u>	<u>-</u>	<u>70,769,674</u>
Governmental activity capital assets, net	<u>\$ 91,061,218</u>	<u>\$ (2,189,682)</u>	<u>\$ 257,500</u>	<u>\$ 88,614,036</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 3: Capital Assets, continued

Depreciation expense was charged to functions as follows:

General government	\$ 331,944
Judicial	24,750
Public safety	713,751
Public works	3,806,576
Health and welfare	37,554
Culture and recreation	643,776
Housing and development	18,558
Total governmental activities depreciation expense	\$ 5,576,909

Business-type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Water and Sewer Fund:				
Capital assets not being depreciated:				
Land	\$ 3,428,166	\$ 14,548	\$ -	\$ 3,442,714
Construction in progress	14,184,942	5,104,932	3,608,648	15,681,226
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	17,671,404	5,119,480	3,608,648	19,182,236
Capital assets being depreciated:				
Treatment and distribution system	68,316,982	3,548,944	-	71,865,926
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,045,933	62,485	16,500	1,091,918
Total capital assets being depreciated	69,659,051	3,611,429	16,500	73,253,980
Less accumulated depreciation for:				
Treatment and distribution system	16,674,072	1,425,872	-	18,099,944
Buildings and improvements	86,069	9,533	-	95,602
Equipment, furniture and vehicles	964,244	31,992	16,500	979,736
Total accumulated depreciation	17,724,385	1,467,397	16,500	19,175,282
Capital assets being depreciated, net	51,934,666	2,144,032	-	54,078,698
Water and sewer capital assets, net	69,606,070	7,263,512	3,608,648	73,260,934

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 3: Capital Assets, continued

Total Non-major Business-type Activities

Capital assets not being depreciated:

Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	2,384	-	2,384	-
Total capital assets not being depreciated	<u>152,384</u>	<u>-</u>	<u>2,384</u>	<u>150,000</u>

Capital assets being depreciated:

Land improvements	44,865	-	-	44,865
Buildings and improvements	2,826,321	10,048	-	2,836,369
Equipment, furniture and vehicles	218,143	52,073	20,271	249,945
Total capital assets being depreciated	<u>3,089,329</u>	<u>62,121</u>	<u>20,271</u>	<u>3,131,179</u>

Less accumulated depreciation for:

Land improvements	24,504	2,243	-	26,747
Buildings and improvements	999,719	61,664	-	1,061,383
Equipment, furniture and vehicles	176,060	14,033	15,246	174,847
Total accumulated depreciation	<u>1,200,283</u>	<u>77,940</u>	<u>15,246</u>	<u>1,262,977</u>

Capital assets being depreciated, net	<u>1,889,046</u>	<u>(15,819)</u>	<u>5,025</u>	<u>1,868,202</u>
Total non-major business-type activities, net	<u>\$ 2,041,430</u>	<u>\$ (15,819)</u>	<u>\$ 7,409</u>	<u>\$ 2,018,202</u>

Business-type activities capital assets, net	<u>\$ 71,647,500</u>	<u>\$ 7,247,693</u>	<u>\$ 3,616,057</u>	<u>\$ 75,279,136</u>
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Discretely Presented Component Unit

Oconee County Industrial Development Authority

Capital assets not being depreciated:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Land	\$ 1,172,686	\$ -	\$ -	\$ 1,172,686
Construction in progress	4,162	-	-	4,162
Total capital assets not being depreciated	<u>1,176,848</u>	<u>-</u>	<u>-</u>	<u>1,176,848</u>

Capital assets being depreciated:

Leasehold improvements	1,013,229	-	-	1,013,229
Total capital assets being depreciated	<u>1,013,229</u>	<u>-</u>	<u>-</u>	<u>1,013,229</u>

Less accumulated depreciation for:

Leasehold improvements	537,434	41,278	-	578,712
Total accumulated depreciation	<u>537,434</u>	<u>41,278</u>	<u>-</u>	<u>578,712</u>

Total capital assets being depreciated, net	<u>475,795</u>	<u>(41,278)</u>	<u>-</u>	<u>434,517</u>
Component unit capital assets, net	<u>\$ 1,652,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,611,365</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 4: Interfund Balances and Activity

Interfund balances

Interfund balances at June 30, 2012 consist of the following:

Due to:	Due from:			Total
	General Fund	Non-major Gov't Funds	Water & Sewer Fund	
<u>Governmental funds</u>				
General Fund	\$ -	\$ 78,440	\$ 135,474	\$ 213,914
Non-major Gov't Funds	216,924	24,755	-	241,679
<u>Enterprise funds</u>				
Non-major Enterprise Funds	81,635	-	-	81,635
	<u>\$ 298,559</u>	<u>\$ 103,195</u>	<u>\$ 135,474</u>	<u>\$ 537,228</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. The balances result from the lagtime between the date the reimburseable transaction occurs and when the payments between funds are made. All costs were incurred within the current fiscal year. All interfund balances are expected to be repaid within one year.

Transfers to/from Other Funds

Transfers Out:	Transfers in:				Nonmajor Enterprise Funds	Total
	General Fund	SPLOST 2009 Fund	Nonmajor Gov't Funds	Water and Sewer Fund		
<u>Governmental funds</u>						
General Fund	\$ -	\$ -	\$ 1,470,863	\$ -	\$ 630,167	\$ 2,101,030
Non-major Gov't Funds	14,353	42,250	9,091	658,276	-	723,970
Non-major Enter Funds	-	-	87	-	5,025	5,112
	<u>\$ 14,353</u>	<u>\$ 42,250</u>	<u>\$ 1,480,041</u>	<u>\$ 658,276</u>	<u>\$ 635,192</u>	<u>\$ 2,830,112</u>

The General Fund transferred out \$1,470,863 to nonmajor gov't funds and \$630,167 to nonmajor enterprise funds to assist in the daily operations and special grants. Included in the transfers from the General Fund to the nonmajor gov't funds are transfers to the E-911 fund. These transfers are used to supplement the E-911 surcharge and to pay costs of the fund which state law does not allow the 911 surcharge to be used for, such as professional fees. The nonmajor gov't funds transferred \$723,970 to other funds to assist in daily operations. The nonmajor enterprise funds transferred \$5,112 to other funds to assist in daily operations.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

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 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 have been recorded in the Oconee County Water and Sewer Fund to recognize this investment and obligation.

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 June 30, 2012 consisted of the following:

Initial cash costs	\$ 70,221
Contract payable for 20.959% of revenue bond liability	12,733,127
Additional cash investments	<u>41,250</u>
	12,844,598
Accumulated amortization	<u>(1,672,336)</u>
Investment in UOBWA, net	<u><u>\$ 11,172,262</u></u>

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

Note 6: Long-term Obligations

Governmental Activities

Categories of Debt

General Obligation Bonds

In March 2003, the County issued Series 2003 Oconee County, Georgia General Obligation Bonds in the amount of \$11,780,000, with interest rates ranging from 1.5% to 5.5%. The bonds are being repaid through revenues from the SPLOST 2009 Fund, in principal installments of \$225,000 to \$725,000. The proceeds were used for a recreation project which consists of the acquisition, development and equipping of a new park.

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 remaining outstanding balance of \$9,805,000 of the Series 2003 Oconee County, Georgia General Obligation Bonds. The Series 2011 bonds were issued at a premium of \$428,875 and had issuance costs of \$211,235. The County had net proceeds of \$10,312,550 most of which was deposited into an irrevocable escrow account to pay the required principal and interest payments on the Series 2003 bonds as they come due. Because the County has placed an amount sufficient to retire the Series 2003 bonds in an irrevocable escrow, these bonds are considered defeased. Consequently, the Series 2003 bonds have been removed from the Statement of Net Assets. The Series 2003 bonds had a net carrying value of \$9,766,627 at the time that they were defeased by placing \$10,311,448 into the irrevocable escrow account. The \$544,491 difference has been included netted against the Series 2011 bonds and is being amortized over the life of the new debt. The County will save \$745,129 of debt service costs over the 22 years that the new debt is outstanding. The savings have a net present value of \$695,597.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Contract Payable - OCIDA

During March 2012, the Oconee County Industrial Development Authority issued \$10,380,000 of Series 2012 Revenue Bonds with coupon rates ranging from 2% to 4%. The proceeds from these bonds were used to provide incentives for a large private employer to locate a factory within the county. The bonds are repayable solely through the proceeds of an intergovernmental contract which calls 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 Assets. Because the ICUDA is only responsible for repayment of the bonds to the extent it receives payment under the intergovernmental agreement, the bonds are not reported as a liability of the OCIDA. The County neither received nor paid any current financial resources related to this transaction, so the transaction is not reflected in the funds.

Installment Note

On June 29, 2006, the County and the Association County Commissioners of Georgia (ACCG) entered into a \$9,000,000 Installment Sale Agreement with Wachovia Bank for financing of a 130 bed jail in Oconee County, as authorized by *O.C.G.A. 36-60-13*. The Installment Sale Agreement includes interest payments at a rate of 3.85% per annum, is renewable annually and originally called for the principal and interest to be payable in 120 monthly installments of approximately \$90,737. During fiscal year 2008, Amendment One to the Installment Sale Agreement was executed as a result of a \$1.1 million principal pre-payment. As a result of this pre-payment, the monthly installments dropped to \$90,116 and are expected to be repaid by February 2015. ACCG will transfer certain of its interest in the Installment Sale Agreement under the terms of the transfer agreement by and between ACCG and Wachovia Bank and will secure such assignment and stated obligations under the Installment Sale agreement with security title to the transferred property pursuant to a deed to secure debt from ACCG to Wachovia Bank.

Capital Leases

On May 5, 2010, the County entered into a \$3,200,000 lease-purchase agreement for establishing a new 700/800 MHz regional radio communication system. The lease is for a period of six years at an interest rate of 3.65% and will be liquidated by payments from the SPLOST 2009 Capital Projects Fund. The lease is payable in six annual payments. The lease qualifies as a capital lease for accounting purposes and has been recorded at the present value of future minimum lease payments at the date of inception.

	Historical Cost	Accumulated Depreciation
Radio Communication System	\$ 2,885,000	-

Future minimum lease payments at June 30, 2012:

	Governmental Activities
Year Ending June, 30	
2013	500,000
2014	500,000
2015	500,000
2016	700,000
2017	400,545
Minimum lease payments	2,600,545
Less: Interest	(283,745)
Net present value of minimum lease payments	\$ 2,316,800

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Business-type Activities

Revenue Bonds

In July 2003, the County issued Series 2003 Water and Sewerage Revenue Bonds in the amount of \$9,375,000, with interest rates ranging from 1.35% to 4.5%. The bonds are being repaid through operating revenues of the Water and Sewer Enterprise Fund, in principal installments of \$215,000 to \$1,480,000. The proceeds of the issue have been used to purchase the land on which the LAS site is located (the County was previously leasing this property), to refinance the GEFA loan, to pay the premium for a surety bond that will fund the debt service reserve, to pay the premium for a municipal bond new issue insurance policy and to pay the costs of issuing the Series 2003 Bonds. The remaining proceeds were used to finance additions, improvements, extensions and expansions of the water and sewer system of the County.

In September 2009, the County issued \$7,095,000 of its Series 2009 Water and Sewerage Revenue Bonds with an average interest cost of 3.18%. These bonds consist of serial bonds bearing various fixed rates ranging from 2% to 4% with annual maturities from September 2011 through September 2019. The net proceeds of \$7,129,309 (\$7,095,000 face value plus \$227,288 issuance premium less \$192,980 in issuance costs) were used to complete a current refunding of the Series 1998 Water and Sewerage Revenue Bonds with a total principal amount outstanding of \$7,470,000 and an average interest rate of 4.75%.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference amounted to \$557,730 and is being charged to interest expense through the year 2020 using the straight-line method.

Subsequent to year-end 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. After the refunding, the Series 2003 bonds had a remaining outstanding balance of \$360,000.

Contract Payable- UOBWA

In November 1997, Oconee County entered into a supplemental contract with the Upper Oconee Basin Water Authority. This contract indicated that the UOBWA would issue Revenue Bonds, Series 1997 totaling \$60,770,000. By signing the contract, Oconee County agreed to pay the Issuer amounts sufficient to pay 20.959% of the debt service of the Series 1997 Bonds, totaling \$12,677,837.

In March 2005, Oconee County entered into an additional supplemental contract with the Upper Oconee Basin Water Authority (UOBWA). This contract indicated that the UOBWA would issue Revenue Refunding Bonds, Series 2005, in the principal amount of \$48,155,000 in order to advance refund the UOBWA's Series 1997 Bonds maturing in the years 2009 and thereafter and to pay certain expenses incident to the issuance of the Bonds. Again, by signing the contract, Oconee County agreed to pay the Issuer amounts sufficient to pay 20.959% of the debt service of the Series 2005 Bonds as well as the Series 1997 Bonds maturing in years 2005-2008. Interest payments were funded through July 1, 2005 from the proceeds of the Series 2005 Bond. The County is making monthly payments covering annual debt service requirements from \$562,679 to \$901,289, with a coupon interest rate varying from 2.00% to 5.125%. The contract matures on July 1, 2027. This advanced refunding of the 1997 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference amounted to \$618,294 and is being amortized over the remaining life of the new debt.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Contract Payable – WCWSA

In October 2007, Oconee County entered into an Intergovernmental Contract-Reservoir Project with Walton County and the Walton County Water and Sewerage Authority (WCWSA). This contract indicated that WCWSA would issue the Walton County Water and Sewerage Authority Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000. The proceeds from the Series 2008 Bonds will be used by the Authority for the purpose of financing or refinancing all or a portion of the cost of acquiring, constructing, installing and equipping a reservoir and related treatment and transmission facilities, paying capitalized interest on the Series 2008 Bonds, funding a debt service reserve and paying the costs of issuing the Series 2008 Bonds.

Under the terms of the Contract, the County has agreed to pay the Authority amounts sufficient to pay the debt service on the Series 2008 Bonds. The County intends to make the Contract Payments with moneys derived from its water and sewerage system. However, the County System Revenues have not been pledged as security for the Contract Payments or the Series 2008 Bonds. In the event that the County System Revenues are insufficient to make the Contract Payments, the County has agreed to levy an ad valorem property tax, unlimited as to rate or amount, on all property in the County subject to taxation for such purposes in order to make the Contract Payments. The County will make semiannual payments over to the Authority, ranging from \$309,486 to \$1,228,500 over the life of the contract. The contract matures on February 1, 2038.

Note Payable – GEFA

On December 10, 2010, Oconee County entered into a note payable to the Georgia Environmental Finance Authority (GEFA) in the original amount of \$1,800,000 bearing interest at 3.0%. The note payable includes a provision that calls for GEFA to forgive 15% of the total funds advanced under the loan. The County received advances under the loan of \$1,201,179 which resulted in all \$1,800,000 of the loan being disbursed to the County. GEFA forgave an additional \$180,177 of the loan balance this year which the County recognized in income. The County paid off the entire outstanding loan balance of \$1,530,000 during the year. The proceeds of the loan were used to make improvements to the sewer collection and treatment infrastructure.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Compensated absences	\$ 646,299	\$ 53,497	\$ 51,209	\$ 648,587	\$ -
Capital Leases	2,316,800	-	-	2,316,800	393,344
Notes payable:					
Installment note	3,688,461	-	954,019	2,734,442	992,272
Contract payable - OCIDA	-	10,368,301	-	10,368,301	-
Bonds payable:					
General obligation bonds	10,080,000	10,095,000	10,080,000	10,095,000	-
Deferred amounts:					
Issuance premiums	164,779	428,785	174,988	418,576	-
Deferred amount on refunding		(544,491)	(12,998)	(531,493)	-
Total bonds payable	<u>10,244,779</u>	<u>9,979,294</u>	<u>10,241,990</u>	<u>9,982,083</u>	<u>-</u>
Total Governmental	<u>\$ 16,896,339</u>	<u>\$ 20,401,092</u>	<u>\$ 11,247,218</u>	<u>\$ 26,050,213</u>	<u>\$ 1,385,616</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Year Ending June 30,	Installment Note		Governmental Activities General Obligation Bonds		Contract Payable - OCIDA	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 992,272	\$ 89,125	\$ -	\$ 483,785	\$ -	\$ 288,867
2014	1,031,706	49,691	320,000	472,813	-	292,112
2015	710,464	9,648	50,000	461,262	410,000	292,112
2016	-	-	390,000	448,862	415,000	283,912
2017	-	-	400,000	435,537	425,000	273,862
2018 - 2022	-	-	2,245,000	1,561,200	2,280,000	1,212,568
2023 - 2027	-	-	2,715,000	1,027,063	2,560,000	930,150
2028 - 2032	-	-	3,245,000	506,623	2,965,000	533,328
2033 - 2035	-	-	730,000	27,740	1,313,301	74,000
	<u>\$ 2,734,442</u>	<u>\$ 148,464</u>	<u>\$ 10,095,000</u>	<u>\$ 5,424,885</u>	<u>\$ 10,368,301</u>	<u>\$ 4,180,911</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Business-type activities:					
Compensated absences - Water	\$ 53,934	\$ 42,556	\$ 37,968	\$ 58,522	\$ -
Compensated absences - Nonmajor	33,856	32,781	29,711	36,926	-
Notes payable	508,998	1,201,179	1,710,177	-	-
Contracts payable					
UOBWA Contract payable	8,830,026	-	382,502	8,447,524	396,125
Deferred amt from refinancing	430,117	-	26,882	403,235	-
WCWSA Contract payable	19,535,000	-	-	19,535,000	-
Less: For issuance discounts	(123,395)	-	(4,613)	(118,782)	-
Total contracts payable	<u>28,671,748</u>	<u>-</u>	<u>404,771</u>	<u>28,266,977</u>	<u>396,125</u>
Bonds payable:					
Revenue bonds	15,100,000	-	855,000	14,245,000	960,000
Deferred amounts:					
Deferred loss on refunding	(455,479)	-	(55,773)	(399,706)	-
Issuance discounts	(72,080)	-	(5,545)	(66,535)	-
Issuance premiums	185,618	-	22,728	162,890	-
Total bonds payable	<u>14,758,059</u>	<u>-</u>	<u>816,410</u>	<u>13,941,649</u>	<u>960,000</u>
Total Business-type activities	<u>\$ 44,026,595</u>	<u>\$ 1,276,516</u>	<u>\$ 2,999,037</u>	<u>\$ 42,304,074</u>	<u>\$ 1,356,125</u>

All contracts and bonds payable presented above represent liabilities of the water fund.

	2003 Series	2009 Series	Total
Outstanding bond payable	\$ 7,750,000	\$ 6,495,000	\$ 14,245,000
Deferred loss on refunding	-	(399,706)	(399,706)
Unamortized discount	(66,535)	-	(66,535)
Unamortized premium	-	162,890	162,890
Net total	<u>\$ 7,683,465</u>	<u>\$ 6,258,184</u>	<u>\$ 13,941,649</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Year Ending June 30,	Water Fund			
	2003 Revenue Bonds		2009 Revenue Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 260,000	\$ 331,475	\$ 700,000	\$ 208,575
2014	270,000	322,330	725,000	193,419
2015	235,000	312,905	800,000	175,263
2016	245,000	303,305	820,000	152,963
2017	250,000	293,405	845,000	126,931
2018 - 2022	3,715,000	1,072,295	2,605,000	168,400
2023 - 2024	2,775,000	253,688	-	-
	<u>\$ 7,750,000</u>	<u>\$ 2,889,403</u>	<u>\$ 6,495,000</u>	<u>\$ 1,025,551</u>

Year Ending June 30,	Water Fund			
	Contract Payable - UOBWA		Contract Payable - WCWSA	
	Principal	Interest	Principal	Interest
2013	396,125	405,082	-	936,263
2014	410,796	390,118	-	936,263
2015	425,468	375,740	470,000	936,263
2016	447,475	353,935	485,000	917,463
2017	469,482	331,561	505,000	898,063
2018 - 2022	2,721,526	1,282,911	2,855,000	4,163,388
2023 - 2027	3,576,652	536,708	3,555,000	3,463,275
2028 - 2032	-	-	4,535,000	2,485,250
2033 - 2037	-	-	5,795,000	1,231,250
2038 - 2042	-	-	1,335,000	66,750
	<u>\$ 8,447,524</u>	<u>\$ 3,676,055</u>	<u>\$ 19,535,000</u>	<u>\$ 16,034,228</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 coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

Capitalization of Interest

Interest costs incurred in the Water and Sewer Enterprise Fund during construction are capitalized, net of interest income from the proceeds of related tax-exempt debt, as part of the cost of the related assets of the Water and Sewer Enterprise Fund.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 6: Long-term Obligations, continued

Interest costs on long-term debt incurred and capitalized during the year ended June 30, 2012 were as follows:

	Total interest costs incurred	Interest costs capitalized	Interest expensed
Business-type activities:			
Water and Sewer Fund	\$ 1,950,847	\$ 894,145	\$ 1,056,702

Note 7: Net Assets Restricted By Enabling Legislation

In 2003 and 2009, 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 are required by Georgia law.

These funds have restrictions on the use of the remaining fund balance in the funds as follows:

Capital projects	\$ 8,598,548
Judicial	118,348
Public safety	68,954
Housing and Development	116,911
	\$ 8,902,761

Note 8: Retirement Benefits

Defined Benefit Pension Plan

During the fiscal year ending June 30, 1990, the County began a Defined Benefit Pension Plan for full-time employees employed for three years or more. The plan is reported on a calendar year basis.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Oconee County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated 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 benefit 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:

GEBCorp
1100 Circle 75 Parkway, Suite 300
Atlanta, Georgia 30339

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 8: Retirement Benefits, continued

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the employer and its plan members.

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.

The County's payroll for employees participating in the Plan as of January 1, 2012 (the most recent actuarial valuation date) was \$8,779,600 (based on W-2 earnings for the preceding year). Covered payroll refers to all compensation paid by the County to active employees covered by The Plan on which contributions to the pension plan are based. The required contribution for the 2012 plan year was \$1,114,555. The recommended contribution for the 2012 plan year was 1,497,442, which represents 17.1% of covered payroll.

Plan Membership

Retirees and beneficiaries receiving benefits	57
Terminated plan members entitled to but not receiving benefits	83
Disabled in pay status	2
Active plan members	213
Total	355

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 3 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 in the amount of the greater of: a) 1.0% of average annual compensation up to \$6,600 plus 2% of average of the highest two years' annual compensation in excess of \$6,600 plus \$36 for each year of service prior to January 1, 1990 or b) 0.5% of average annual compensation up to \$6,600 plus 1% of average annual compensation in excess of \$6,600 plus \$36 multiplied by years of service to a maximum of 35 years, payable as a life annuity. Average annual compensation is based on the highest average of the Participant's compensation over five 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.

Plan Asset Matter 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.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities. Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 8: Retirement Benefits, continued

Derivation of Net Pension Obligation

Net Pension Obligation as of the Beginning of Prior Year	\$ (38,179)
Annual Pension Cost for Prior Year	1,378,005
Actual Contributions to Plan for Prior Year	1,472,922
Increase in Net Pension Obligation	<u>(94,917)</u>
Net Pension Obligation as of Beginning of the Year	<u>\$ (133,096)</u>

Derivation of Annual Pension Cost

Annual Required Contribution	\$ 1,413,544
Interest on Net Pension Obligation	(10,336)
Amortization of Net Pension Obligation	<u>11,059</u>
Annual Pension Cost	<u>\$ 1,414,267</u>

Basis of Valuation

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0% - 6.5%
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Amortization period	10 years

Trend Information for the Plan

Actuarial Valuation Date	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
1/1/2012	\$ 1,414,267	N/A	N/A	\$ (133,096)
1/1/2011	1,378,005	1,472,922	N/A	(38,179)
1/1/2010	1,298,535	1,428,366	110%	91,652

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 8: Retirement Benefits, continued

Information about the funding status of the plan as of the most recent valuation date is as follows. The required supplementary information containing multiyear trend directly about funding progress directly follows the footnotes.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ 9,005,571	\$ 14,519,069	\$ 5,513,498	62%	\$ 8,692,728	63%

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, 2012

Note 9: Other Postemployment Benefits (OPEB)

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

The County provides postretirement health care benefits under the Oconee County Health Care Plan to all former employees who have already retired or current employees who retired in 2010 or 2011 from the County after providing at least 5 years of service. The plan is a single employer plan, and it does not issue a separately available financial report. The County contributes toward retiree health costs on the authority of a resolution by the Board of Commissioners. Any plan amendments would similarly be approved by a resolution of the Board of Commissioners. During the years ended June 30, 2011 and 2010, the Board of Commissioners adopted changes to the plan which limited eligibility for the plan to former employees who had already retired from service with the County as well as those who retired during 2011 and 2010.

The County contributes towards a retiree's Medicare supplement premium. Dependent cost is the responsibility of the retiree. The County allows retirees under age 65 to continue in the health plan the County maintains for its active employees. The County contributes an amount equal to the cost of a Medicare Supplement Premium towards the retiree's health benefit. During the fiscal year, expenditures of \$164,201 were recognized for retiree health care and Medicare supplements. The County has the following participants in its plan:

Retired participants	48
Active participants	-
	-
Total participants	48

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

Retired participants	\$ 2,790,731
Active participants	-
	-
Actuarial Accrued Liability (AAL)	2,790,731
Less: Present value of plan assets	-
	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,790,731

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 9: Other Postemployment Benefits (OPEB), continued

The County finances its postemployment benefits on a pay-as-you-go basis. The County's cumulative expenditures on a pay-as-you-go basis were less than the Annual Required Contribution (ARC) as determined by the actuarial valuation. This results in the County reporting a Net OPEB Obligation. The ARC and the Net OPEB obligation are calculated as follows:

Normal cost (current service cost)	\$ -
Amortization of UAAL (share of past service cost)	<u>121,537</u>
Annual Required Contribution (ARC)	121,537
Interest on Net OPEB Obligation	1,810
Adjustment to Annual Required Contribution	<u>(1,651)</u>
Annual OPEB Cost	121,696
OPEB costs paid during year	<u>(164,201)</u>
Change in Net OPEB Obligation	(42,505)
Net OPEB Obligation, beginning	<u>45,240</u>
Net OPEB Obligation, ending	<u><u>\$ 2,735</u></u>
Percentage of ARC contributed	135%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	\$ -	\$ 2,790,731	\$ 2,790,731	0%	\$ -	0%
1/1/2009	-	1,510,025	1,510,025	0%	9,248,619	16%

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 9: Other Postemployment Benefits (OPEB), continued

Trend Information

Year Ended	OPEB Cost	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation
6/30/2012	\$ 121,696	\$ 164,201	135%	\$ 2,735
6/30/2011	70,324	90,488	129%	45,240
6/30/2010	57,702	25,000	43%	65,404
6/30/2009	640,255	25,000	4%	615,255

The OPEB plan was changed to provide postemployment benefits only to current retirees and certain employees that retired under a "window of opportunity" during the year ended June 30, 2010. Previously, all employees were eligible to participate in the OPEB plan.

Actuarial Assumptions and Methods

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

Valuation date	7/1/11
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return (includes 3% inflation)	4%
Medical cost trend rate	10.50% - 5.0%
Year of ultimate trend rate	2016

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 10: 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 11: 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.

Note 12: 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.

Commitments

In February 1996, the County entered into an agreement to lease certain property to the Oconee County Industrial Development Authority, a Component Unit of the County. The Industrial Development Authority simultaneously leased the property to the United States Postal Service (USPS) and began construction of a post office on the property. The terms of the County's lease stipulate that the Industrial Development Authority must pay rent of one half of the net income produced by the property, after making all payments for debt incurred to construct improvements to the property and after making reasonable provisions for upcoming maintenance needs of the property. The lease terms under both leases are for fifteen years with two five-year renewal options. The monthly rental payment made by the USPS will be \$10,196 through August 2012.

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 believes that damages, if any, that are to be paid by the County in excess of insurance coverage will not be material to the financial statements.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2012

Note 13: 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 14: Due from Upper Oconee Basin Water Authority

As part of the Intergovernmental Agreement between the County and the Upper Oconee Basin Water Authority (UOBWA), a reconciliation is to be performed at the Authority’s year-end (December 31) to determine the actual cost sharing by each member county and then a computational comparison is made of these actual costs to the provisional invoicing to each county during the year.

Changes in the Due from UOBWA for the year are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Due from UOBWA	\$ 53,124	\$ 223,307	\$ 127,559	\$ 148,872

Note 15: Hotel Motel Lodging Tax

Oconee County, Georgia has levied a 6% lodging tax. During the year ended June 30, 2012, the County received \$106,847 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 \$65,326 in expenditures. These expenditures were spent from the unrestricted portion of the tax (40%). At June 30, 2012, \$161,884 was the balance of reserved fund balance and restricted net assets. 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).

Required Supplementary Information

Oconee County, Georgia
Required Supplemental Information
Retirement Plan - Schedule of Funding Progress
June 30, 2012

RETIREMENT PLAN
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
1/1/2012	\$9,005,571	\$ 14,519,069	\$ 5,513,498	62.0%	\$ 8,692,728	63.4%
1/1/2011	7,814,017	13,621,164	5,807,147	57.4%	8,132,027	71.4%
1/1/2010	6,646,600	12,007,784	5,361,184	55.4%	8,136,636	65.9%
1/1/2009	5,858,023	8,381,636	2,523,613	69.9%	7,455,563	33.8%
1/1/2008	5,326,928	7,509,236	2,182,308	70.9%	6,603,361	33.0%
1/1/2007	4,361,585	6,309,382	1,947,797	69.1%	5,832,064	33.4%

Oconee County, Georgia
Required Supplemental Information
Other Postemployment Benefits - Schedule of Funding Progress
June 30, 2012

OTHER POSTEMPLOYMENT BENEFITS
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as a percentage of covered payroll (b - a) / c</u>
7/1/2011	\$ -	\$ 2,790,731	\$ 2,790,731	0.0%	\$ -	0.0%
1/1/2009	-	1,510,025	1,510,025	0.0%	9,248,619	16.3%

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>
6/30/12	\$ 121,537	\$ 164,201	135.1%
6/30/11	70,324	90,488	128.7%
6/30/10	57,702	25,000	43.3%
6/30/09	640,255	25,000	3.9%

Oconee County, Georgia
Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (by Department) and Actual - General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 15,862,661	\$ 17,196,411	\$ 17,211,314	\$ 14,903
Licenses and permits	323,750	430,750	438,704	7,954
Intergovernmental revenue	35,000	725,000	35,374	(689,626)
Charges for services	2,130,475	2,484,625	2,493,135	8,510
Fines and forfeitures	503,000	466,500	441,736	(24,764)
Investment income	20,000	20,000	17,958	(2,042)
Miscellaneous	21,000	69,288	72,433	3,145
Total revenues	<u>18,895,886</u>	<u>21,392,574</u>	<u>20,710,654</u>	<u>(681,920)</u>
EXPENDITURES				
Department level:				
Commission	481,055	644,300	631,701	12,599
Administration	310,760	403,034	392,863	10,171
Human resources	339,971	366,862	365,075	1,787
Finance	479,365	608,674	592,361	16,313
Law enforcement	2,616,647	3,107,650	2,996,404	111,246
Jail	1,740,136	2,424,140	2,344,394	79,746
Tax commissioner	370,789	510,244	500,436	9,808
Probate court	372,327	404,256	397,785	6,471
Clerk of courts	459,118	652,080	647,094	4,986
Juvenile court	74,940	74,940	64,252	10,688
Superior court	333,954	333,954	291,666	42,288
District attorney	26,955	22,675	20,979	1,696
Magistrate court	72,229	78,154	76,426	1,728
Coroner	25,404	32,404	31,397	1,007
Tax assessor	396,277	522,244	481,945	40,299
Board of elections	139,439	192,146	187,518	4,628
Public works	1,946,091	3,023,908	2,879,478	144,430
Parks and recreation	1,872,935	2,241,398	2,164,572	76,826
Operations	1,227,242	1,544,517	1,498,927	45,590
Public safety	856,078	1,078,425	1,036,234	42,191
Planning	377,157	458,503	455,397	3,106
Code enforcement	295,633	431,456	424,046	7,410
Information technology	418,305	621,746	617,710	4,036
Joint governmental programs	737,002	755,497	744,991	10,506
Total expenditures	<u>15,969,809</u>	<u>20,533,207</u>	<u>19,843,651</u>	<u>689,556</u>
Excess of revenues over expenditures	2,926,077	859,367	867,003	7,636
OTHER FINANCING SOURCES				
Proceeds of capital asset dispositions	-	16,250	16,298	48
Transfers in	6,500	15,085	14,353	(732)
Transfers (out)	(1,450,473)	(2,278,278)	(2,101,030)	177,248
Total other financing sources	<u>(1,443,973)</u>	<u>(2,246,943)</u>	<u>(2,070,379)</u>	<u>176,564</u>
Net change in fund balances	1,482,104	(1,387,576)	(1,203,376)	184,200
Fund balance - beginning	9,813,469	9,813,469	9,813,469	-
Fund balances - ending	<u>\$ 11,295,573</u>	<u>\$ 8,425,893</u>	<u>\$ 8,610,093</u>	<u>\$ 184,200</u>

Oconee County, Georgia
Reconciliation of Budget Expenditures by Department to
GAAP Basis Budget - General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 481,055	\$ 644,300	\$ 631,701	\$ 12,599
Administration	310,760	403,034	392,863	10,171
Human resources	339,971	366,862	365,075	1,787
Finance	479,365	608,674	592,361	16,313
Board of elections	139,439	192,146	187,518	4,628
Information technology	418,305	621,746	617,710	4,036
Tax commissioner	370,789	510,244	500,436	9,808
Tax assessor	396,277	522,244	481,945	40,299
Operations	933,226	1,124,930	1,086,460	38,470
Superior court - Board of equalization	3,690	5,190	5,036	154
Judicial:				
Superior court	330,264	328,764	286,630	42,134
Clerk of courts	459,118	652,080	647,094	4,986
District attorney	26,955	22,675	20,979	1,696
Magistrate court	72,229	78,154	76,426	1,728
Probate court	372,327	404,256	397,785	6,471
Juvenile court	74,940	74,940	64,252	10,688
Public safety:				
Law enforcement	2,616,647	3,107,650	2,996,404	111,246
Jail	1,740,136	2,424,140	2,344,394	79,746
Public safety	856,078	1,078,425	1,036,234	42,191
Coroner	25,404	32,404	31,397	1,007
Public works:				
Public works	1,946,091	3,023,908	2,879,478	144,430
County facilities	294,016	419,587	412,467	7,120
Health and welfare:				
Joint gov't programs-health and welfare	180,345	181,395	181,329	66
Culture and recreation:				
Parks and recreation	1,872,935	2,241,398	2,164,572	76,826
Joint gov't program-library	423,010	439,110	432,567	6,543
Housing and development:				
Joint gov't program-development	133,647	134,992	131,095	3,897
Code enforcement	295,633	431,456	424,046	7,410
Planning	377,157	458,503	455,397	3,106
Total current expenditures	<u>15,969,809</u>	<u>20,533,207</u>	<u>19,843,651</u>	<u>689,556</u>
Total expenditures by department	<u>\$ 15,969,809</u>	<u>\$ 20,533,207</u>	<u>\$ 19,843,651</u>	<u>\$ 689,556</u>

Oconee County, Georgia
Notes to Required Supplementary Information
June 30, 2012

NOTE A: BASIS OF PRESENTATION

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

Supplementary Information

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

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.

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.

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.

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.

GO Bond Fund - This fund accounts for the proceeds from the General Obligation Bonds used to finance the construction of the new park.

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

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 440,618	\$ 82,186	\$ 522,804
Investments, plus accrued interest	-	5,081,793	5,081,793
Accounts receivable, net	116,445	-	116,445
Taxes receivable, net	5,855	-	5,855
Internal balances	194,816	46,863	241,679
Due from other governments	64,271	-	64,271
Prepaid items	7,083	-	7,083
Total assets	\$ 829,088	\$ 5,210,842	\$ 6,039,930
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 92,947	\$ 61,007	\$ 153,954
Internal balances	103,195	-	103,195
Salaries and benefits payable	24,845	-	24,845
Deferred revenue	5,547	-	5,547
Total liabilities	226,534	61,007	287,541
Fund balances:			
Nonspendable	7,083	-	7,083
Restricted			
Capital projects	44,977	5,149,835	5,194,812
Judicial	124,766	-	124,766
Public safety	163,761	-	163,761
Culture and recreation	82,886	-	82,886
Housing and development	176,357	-	176,357
Assigned			
Health and welfare	89,196	-	89,196
Unassigned	(86,472)	-	(86,472)
Total fund balances	602,554	5,149,835	5,752,389
Total liabilities and fund balances	\$ 829,088	\$ 5,210,842	\$ 6,039,930

Oconee County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	<u>Council on Aging</u>	<u>Law Library</u>	<u>Confiscated Assets</u>	<u>Special Revenue Fund</u>	<u>Victims Services and Forfeited Property</u>	<u>E-911</u>	<u>Multiple Grant Fund</u>	<u>Special Lighting District</u>	<u>Hotel/Motel Tax</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS										
Cash	\$ 106,841	\$ 77,119	\$ 36,723	\$ 190,725	\$ 29,210	\$ -	\$ -	\$ -	\$ -	\$ 440,618
Accounts receivable, net	20,529	-	-	-	-	85,483	-	-	10,433	116,445
Taxes receivable, net	-	-	-	-	-	-	-	5,855	-	5,855
Internal balances	-	-	-	11,720	-	-	13,035	17,368	152,693	194,816
Due from other governments	-	-	-	-	48,462	-	15,809	-	-	64,271
Prepaid items	2,023	-	-	-	-	4,755	-	-	305	7,083
Total assets	<u>\$ 129,393</u>	<u>\$ 77,119</u>	<u>\$ 36,723</u>	<u>\$ 202,445</u>	<u>\$ 77,672</u>	<u>\$ 90,238</u>	<u>\$ 28,844</u>	<u>\$ 23,223</u>	<u>\$ 163,431</u>	<u>\$ 829,088</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 7,400	\$ 182	\$ -	\$ 7,185	\$ 36,261	\$ 19,715	\$ 4,090	\$ 17,676	438	\$ 92,947
Internal balances	26,978	-	875	13,039	-	50,583	11,720	-	-	103,195
Salaries and benefits payable	3,796	-	-	-	-	19,940	-	-	1,109	24,845
Deferred revenue	-	-	-	-	-	-	-	5,547	-	5,547
Total liabilities	<u>38,174</u>	<u>182</u>	<u>875</u>	<u>20,224</u>	<u>36,261</u>	<u>90,238</u>	<u>15,810</u>	<u>23,223</u>	<u>1,547</u>	<u>226,534</u>
Fund balances:										
Nonspendable	2,023	-	-	-	-	4,755	-	-	305	7,083
Restricted										
Capital Projects	-	-	-	-	-	-	-	-	44,977	44,977
Judicial	-	76,937	-	6,418	41,411	-	-	-	-	124,766
Public safety	-	-	35,848	114,879	-	-	13,034	-	-	163,761
Culture and recreation	-	-	-	82,886	-	-	-	-	-	82,886
Housing and development	-	-	-	59,450	-	-	-	-	116,907	176,357
Assigned										
Health and welfare	89,196	-	-	-	-	-	-	-	-	89,196
Unassigned	-	-	-	(81,412)	-	(4,755)	-	-	(305)	(86,472)
Total fund balances	<u>91,219</u>	<u>76,937</u>	<u>35,848</u>	<u>182,221</u>	<u>41,411</u>	<u>-</u>	<u>13,034</u>	<u>-</u>	<u>161,884</u>	<u>602,554</u>
Total liabilities and fund balances	<u>\$ 129,393</u>	<u>\$ 77,119</u>	<u>\$ 36,723</u>	<u>\$ 202,445</u>	<u>\$ 77,672</u>	<u>\$ 90,238</u>	<u>\$ 28,844</u>	<u>\$ 23,223</u>	<u>\$ 163,431</u>	<u>\$ 829,088</u>

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	SPLOST 2004 Fund	GO Bonds Capital Projects Fund	Local Resources Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	\$ 80,753	\$ 1,433	\$ -	\$ 82,186
Investments	5,081,793	-	-	5,081,793
Internal balances		-	46,863	46,863
Total assets	\$ 5,162,546	\$ 1,433	\$ 46,863	\$ 5,210,842
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 14,144	\$ -	\$ 46,863	\$ 61,007
Total liabilities	14,144	-	46,863	61,007
Fund balances:				
Restricted				-
Capital projects	5,148,402	1,433	-	5,149,835
Total fund balances	5,148,402	1,433	-	5,149,835
Total liabilities and fund balances	\$ 5,162,546	\$ 1,433	\$ 46,863	\$ 5,210,842

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 106,847	\$ -	\$ 106,847
Intergovernmental revenue	1,732,248	-	1,732,248
Charges for services	866,677	-	866,677
Fines and forfeitures	81,066	-	81,066
Investment income	1,570	6,480	8,050
Contributions and donations	72,468	-	72,468
Miscellaneous	22,058	-	22,058
Total revenues	2,882,934	6,480	2,889,414
EXPENDITURES			
Current:			
General government	6,749	-	6,749
Judicial	456,522	-	456,522
Public safety	2,494,420	-	2,494,420
Public works	211,330	-	211,330
Health and welfare	430,958	-	430,958
Culture and recreation	37,191	-	37,191
Housing and development	100,552	-	100,552
Debt service:			
Interest and fiscal charges	-	207,482	207,482
Capital outlay			
General government	-	342,392	342,392
Public safety	-	228,823	228,823
Public works	-	190,538	190,538
Culture and recreation	-	165,700	165,700
Total expenditures	3,737,722	1,134,935	4,872,657
Deficiency of revenues under expenditures	(854,788)	(1,128,455)	(1,983,243)
OTHER FINANCING SOURCES AND (USES)			
Proceeds from long-term debt	-	10,095,000	10,095,000
Premiums on debt issued	-	428,785	428,785
Other financing use - payment to refunded bond escrow agent	-	(10,314,871)	(10,314,871)
Transfers in	901,156	578,885	1,480,041
Transfers (out)	(65,694)	(658,276)	(723,970)
Total other financing sources	835,462	129,523	964,985
Net change in fund balances	(19,326)	(998,932)	(1,018,258)
Fund balances - beginning	621,880	6,148,767	6,770,647
Fund balances - ending	\$ 602,554	\$ 5,149,835	\$ 5,752,389

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, 2012

	Council on Aging	Law Library	Confiscated Assets	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,847	\$ 106,847
Intergovernmental revenue	127,596	-	-	899	317,727	1,200,000	86,026	-	-	1,732,248
Charges for services	-	-	-	32,217	1,046	616,903	-	216,511	-	866,677
Fines and forfeitures	-	10,649	38,721	4,351	27,345	-	-	-	-	81,066
Investment income	272	148	96	1,054	-	-	-	-	-	1,570
Contributions and donations	-	-	-	72,468	-	-	-	-	-	72,468
Miscellaneous	21,428	-	-	630	-	-	-	-	-	22,058
Total revenues	<u>149,296</u>	<u>10,797</u>	<u>38,817</u>	<u>111,619</u>	<u>346,118</u>	<u>1,816,903</u>	<u>86,026</u>	<u>216,511</u>	<u>106,847</u>	<u>2,882,934</u>
EXPENDITURES										
Current:										
General government	-	-	-	6,749	-	-	-	-	-	6,749
Judicial	-	4,158	-	983	445,681	-	5,700	-	-	456,522
Public safety	-	-	20,659	56,665	-	2,384,020	33,076	-	-	2,494,420
Public works	-	-	-	587	-	-	-	210,743	-	211,330
Health and welfare	386,958	-	-	-	-	-	44,000	-	-	430,958
Culture and recreation	-	-	-	37,191	-	-	-	-	-	37,191
Housing and development	-	-	-	31,976	-	-	3,250	-	65,326	100,552
Total expenditures	<u>386,958</u>	<u>4,158</u>	<u>20,659</u>	<u>134,151</u>	<u>445,681</u>	<u>2,384,020</u>	<u>86,026</u>	<u>210,743</u>	<u>65,326</u>	<u>3,737,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(237,662)</u>	<u>6,639</u>	<u>18,158</u>	<u>(22,532)</u>	<u>(99,563)</u>	<u>(567,117)</u>	<u>-</u>	<u>5,768</u>	<u>41,521</u>	<u>(854,788)</u>
OTHER FINANCING SOURCES										
Transfers in	194,966	-	-	1,046	115,440	567,117	-	-	22,587	901,156
Transfers (out)	-	-	-	(59,926)	-	-	-	(5,768)	-	(65,694)
Total other financing sources	<u>194,966</u>	<u>-</u>	<u>-</u>	<u>(58,880)</u>	<u>115,440</u>	<u>567,117</u>	<u>-</u>	<u>(5,768)</u>	<u>22,587</u>	<u>835,462</u>
Net change in fund balances	<u>(42,696)</u>	<u>6,639</u>	<u>18,158</u>	<u>(81,412)</u>	<u>15,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,108</u>	<u>(19,326)</u>
Fund balances - beginning	<u>133,915</u>	<u>70,298</u>	<u>17,690</u>	<u>263,633</u>	<u>25,534</u>	<u>-</u>	<u>13,034</u>	<u>-</u>	<u>97,776</u>	<u>621,880</u>
Fund balances - ending	<u>\$ 91,219</u>	<u>\$ 76,937</u>	<u>\$ 35,848</u>	<u>\$ 182,221</u>	<u>\$ 41,411</u>	<u>\$ -</u>	<u>\$ 13,034</u>	<u>\$ -</u>	<u>\$ 161,884</u>	<u>\$ 602,554</u>

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	SPLOST 2004 Fund	GO Bonds Capital Projects Fund	Local Resources Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES				
Investment income	\$ 6,448	\$ 32	\$ -	\$ 6,480
Total revenues	<u>6,448</u>	<u>32</u>	<u>-</u>	<u>6,480</u>
EXPENDITURES				
Debt service:				
Interest and fiscal charges	-	207,482	-	207,482
Capital outlay				
General government	287,130	-	55,262	342,392
Public safety	59,874	-	168,949	228,823
Public works	1,533	-	189,005	190,538
Culture and recreation	-	165,700	-	165,700
Total expenditures	<u>348,537</u>	<u>373,182</u>	<u>413,216</u>	<u>1,134,935</u>
Deficiency of revenues under expenditures	<u>(342,089)</u>	<u>(373,150)</u>	<u>(413,216)</u>	<u>(1,128,455)</u>
OTHER FINANCING SOURCES				
Proceeds from long-term debt	-	10,095,000	-	10,095,000
Premiums on debt issued	-	428,785	-	428,785
Other financing use - payment to refunded bond escrow agent	-	(10,314,871)	-	(10,314,871)
Transfers in	-	165,669	413,216	578,885
Transfers (out)	(658,276)	-	-	(658,276)
Total other financing sources	<u>(658,276)</u>	<u>374,583</u>	<u>413,216</u>	<u>129,523</u>
Net change in fund balances	(1,000,365)	1,433	-	(998,932)
Fund balances - beginning	6,148,767	-	-	6,148,767
Fund balances - ending	<u>\$ 5,148,402</u>	<u>\$ 1,433</u>	<u>\$ -</u>	<u>\$ 5,149,835</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 Assets
June 30, 2012

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash	\$ 808	\$ -	\$ 808
Accounts receivable, net	4,113	4,766	8,879
Internal balances	37,172	44,463	81,635
Prepaid items	1,636	2,824	4,460
Total current assets	<u>43,729</u>	<u>52,053</u>	<u>95,782</u>
Noncurrent assets:			
Net pension asset	1,873	3,063	4,936
Capital assets			
Land	125,000	25,000	150,000
Land improvements, net	18,118	-	18,118
Equipment, furniture and vehicles, net	14,000	61,098	75,098
Building and improvements, net	36,685	1,738,301	1,774,986
Total capital assets	<u>193,803</u>	<u>1,824,399</u>	<u>2,018,202</u>
Total assets	<u>239,405</u>	<u>1,879,515</u>	<u>2,118,920</u>
LIABILITIES			
Current liabilities:			
Accounts payable	24,910	9,779	34,689
Salaries and benefits payable	12,810	16,294	29,104
Total current liabilities	<u>37,720</u>	<u>26,073</u>	<u>63,793</u>
Noncurrent liabilities:			
Compensated absences	7,883	29,043	36,926
Total noncurrent liabilities	<u>7,883</u>	<u>29,043</u>	<u>36,926</u>
Total liabilities	<u>45,603</u>	<u>55,116</u>	<u>100,719</u>
NET ASSETS			
Invested in capital assets, net of related debt	193,803	1,824,399	2,018,202
Unrestricted	(1)	-	(1)
Total net assets	<u>\$ 193,802</u>	<u>\$ 1,824,399</u>	<u>\$ 2,018,201</u>

Oconee County, Georgia
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 208,481	\$ 82,297	\$ 290,778
Licenses and permits	7,000	-	7,000
Rents and royalties	-	119,506	119,506
Miscellaneous	-	13,470	13,470
Total operating revenues	215,481	215,273	430,754
OPERATING EXPENSES			
Salaries and benefits	205,795	395,430	601,225
Other contracted services	198,356	13,407	211,763
Supplies and materials	17,527	22,206	39,733
Repairs and maintenance	756	8,591	9,347
Utilities	8,748	57,578	66,326
Insurance	4,434	4,433	8,867
Depreciation and amortization	6,397	71,545	77,942
Other charges	7,192	61,670	68,862
Total operating expenses	449,205	634,860	1,084,065
Operating loss	(233,724)	(419,587)	(653,311)
Loss before contributions and transfers	(233,724)	(419,587)	(653,311)
Transfers in	242,413	392,779	635,192
Transfers (out)	(5,112)	-	(5,112)
Change in net assets	3,577	(26,808)	(23,231)
Total net assets - beginning	190,225	1,851,207	2,041,432
Total net assets - ending	\$ 193,802	\$ 1,824,399	\$ 2,018,201

Oconee County, Georgia
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 219,642	\$ 222,115	\$ 441,757
Payments to suppliers	(265,998)	(190,462)	(456,460)
Payments to employees	(207,072)	(394,158)	(601,230)
Net cash (used) by operating activities	<u>(253,428)</u>	<u>(362,505)</u>	<u>(615,933)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	242,326	387,754	630,080
Interfund loans - proceeds and collections	26,302	14,462	40,764
Net cash provided by noncapital financing activities	<u>268,628</u>	<u>402,216</u>	<u>670,844</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(15,000)	(39,711)	(54,711)
Net cash (used) by capital and related financing activities	<u>(15,000)</u>	<u>(39,711)</u>	<u>(54,711)</u>
Net change in cash and cash equivalents	200	-	200
Cash - beginning of the year	608	-	608
Cash - end of the year	<u>\$ 808</u>	<u>\$ -</u>	<u>\$ 808</u>

Oconee County, Georgia
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Solid Waste Fund	Special Facilities Fund	Total
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (233,724)	\$ (419,587)	\$ (653,311)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	6,397	71,545	77,942
Change in assets and liabilities:			
Receivables, net	4,161	6,842	11,003
Prepaid items	71	(33)	38
Net pension asset	(1,277)	(2,118)	(3,395)
Accounts payable	(22,680)	(14,578)	(37,258)
Accrued expenses	(6,056)	(7,966)	(14,022)
Compensated absences	(320)	3,390	3,070
Net cash (used) by operating activities	\$ (253,428)	\$ (362,505)	\$ (615,933)

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, 2012

	<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	\$ 44,306	\$ 6,403	\$ 191,701	\$ 47,218	\$ 76,128	\$ 375	\$ 366,131
Total Assets	<u>\$ 44,306</u>	<u>\$ 6,403</u>	<u>\$ 191,701</u>	<u>\$ 47,218</u>	<u>\$ 76,128</u>	<u>\$ 375</u>	<u>\$ 366,131</u>
LIABILITIES							
Due to others	\$ 44,306	\$ 6,403	\$ 191,701	\$ 47,218	\$ 76,128	\$ 375	\$ 366,131
Total Liabilities	<u>\$ 44,306</u>	<u>\$ 6,403</u>	<u>\$ 191,701</u>	<u>\$ 47,218</u>	<u>\$ 76,128</u>	<u>\$ 375</u>	<u>\$ 366,131</u>

Other Supplementary Information

Bond Disclosures

**Oconee County, Georgia
Water and Sewer Fund
Bond Disclosures
System Customers
June 30, 2012**

Set forth below are the total number of customers for the last five years.

<u>Water Customers</u>	<u>2008</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential	7,760	7,760	7,967	8,009	8,056
Commercial/Industrial	607	607	661	681	747
Total	<u>8,367</u>	<u>8,367</u>	<u>8,628</u>	<u>8,690</u>	<u>8,803</u>
<u>Sewer Customers</u>					
Residential	1,009	1,009	1,137	1,151	1,152
Commercial/Industrial	247	247	300	304	382
Total	<u>1,256</u>	<u>1,256</u>	<u>1,437</u>	<u>1,455</u>	<u>1,534</u>

Oconee County, Georgia
Water and Sewer Fund
Bond Disclosures
Largest Customers
June 30, 2012

TEN LARGEST WATER CUSTOMERS

<u>Customer</u>	<u>Business/Product</u>	<u>Total Water Billings FY 2012</u>	<u>Percentage of System Revenues</u> ¹
Oconee County Board of Education	Education	\$ 104,648	1.53%
Walton County Water and Sewer Authority	Retail Water Supply	88,603	1.30%
Georgia General Kipling	Mobile Home Park	58,983	< 1.0
Athens Academy	Private Education	36,449	< 1.0
Oconee County Board of Commissioners	Local Government	34,442	< 1.0
American Linen	Linen Supply	29,467	< 1.0
Piedmont Water	Private Water Supply	28,696	< 1.0
Family Life Enrichment Center	Nursing Home	27,990	< 1.0
Home Depot	Home Supply Store	18,517	< 1.0
Wal-Mart	Sales	17,194	< 1.0
Total		\$ 444,989	6.51%

TEN LARGEST SEWER CUSTOMERS

<u>Customer</u>	<u>Business/Product</u>	<u>Total Sewer Billings FY 2012</u>	<u>Percentage of System Revenues</u> ¹
Oconee County Board of Education	Education	\$ 59,499	< 1.0
Georgia General Kipling	Mobile Home Park	35,307	< 1.0
Oconee County Board of Commissioners	Local Government	15,850	< 1.0
Wal-Mart	Sales	13,008	< 1.0
Ryan's	Restaurant	10,320	< 1.0
Home Depot	Home Supply Store	9,149	< 1.0
Community Water Management	Restaurants/Retail Shops	8,704	< 1.0
Cracker Barrel	Restaurant	6,713	< 1.0
Five Guys Operations	Restaurant	6,504	< 1.0
Benson's	Food Processing	4,387	< 1.0
Total		\$ 169,441	2.48%

¹ Total operating revenues of the System for the fiscal year ended June 30, 2012 were \$6,838,527

Oconee County, Georgia
Water and Sewer Fund
Bond Disclosures
Five Year Operating History
June 30, 2012

Set forth below is an historical, comparative summary of the revenues and expenses of the System for the past five fiscal years.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
OPERATING REVENUES					
Charges for services	\$ 4,588,523	\$ 4,339,574	\$ 5,367,287	\$ 6,063,055	\$ 6,678,469
Miscellaneous	151,129	138,511	150,150	207,788	160,058
Total operating revenues	<u>4,739,652</u>	<u>4,478,085</u>	<u>5,517,437</u>	<u>6,270,843</u>	<u>6,838,527</u>
OPERATING EXPENSES					
Salaries and benefits	1,322,679	1,281,079	1,122,116	1,096,991	1,136,458
Other contracted services	68,556	47,568	42,185	72,853	87,814
Water purchase and treatment costs	934,111	1,040,846	1,089,535	1,098,991	1,056,457
Supplies and materials	62,356	51,901	58,527	50,105	61,989
Repairs and maintenance	490,803	197,404	163,031	189,139	323,991
Utilities	244,189	251,384	290,920	326,491	335,581
Insurance	13,599	15,382	6,182	12,254	11,085
Depreciation	1,429,080	1,496,156	1,492,273	1,483,658	1,467,400
Other charges	140,097	76,072	62,838	70,638	89,037
Total operating expenses	<u>4,705,470</u>	<u>4,457,792</u>	<u>4,327,607</u>	<u>4,401,120</u>	<u>4,569,812</u>
Operating income (loss)	<u>34,182</u>	<u>20,293</u>	<u>1,189,830</u>	<u>1,869,723</u>	<u>2,268,715</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	339,684	372,835	84,866	51,436	34,908
Water availability fees	463,775	148,504	60,892	140,721	225,941
Sewer capacity fees	132,869	296,119	-	78,716	167,494
Sewer connection fees	77,600	22,400	16,000	8,000	20,800
Gain (loss) on disposal of assets	(271,596)	-	-	6,292	(31,873)
Amortization expense - UOBWA	(167,378)	(167,378)	(167,378)	(167,378)	(167,378)
Miscellaneous income	-	-	-	-	-
Interest expense	(1,290,819)	(1,501,852)	(1,193,623)	(1,087,539)	(1,056,702)
Total nonoperating revenue (expenses)	<u>(715,865)</u>	<u>(829,372)</u>	<u>(1,199,243)</u>	<u>(969,752)</u>	<u>(806,810)</u>
Loss before contributions and transfers	(681,683)	(809,079)	(9,413)	899,971	1,461,905
Capital contributions	2,805,850	618,950	874,932	398,119	279,627
Transfers in	2,287,761	225,589	979,050	590,283	658,276
Change in net assets	<u>4,411,928</u>	<u>35,460</u>	<u>1,844,569</u>	<u>1,888,373</u>	<u>2,399,808</u>
Total net assets - beginning	43,574,794	49,344,082	49,379,542	51,224,111	53,112,484
Prior period adjustment	1,357,360	-	-	-	-
Total net assets - beginning, as restated	<u>44,932,154</u>	<u>49,344,082</u>	<u>49,379,542</u>	<u>51,224,111</u>	<u>53,112,484</u>
Total net assets - ending	<u>\$ 49,344,082</u>	<u>\$ 49,379,542</u>	<u>\$ 51,224,111</u>	<u>\$ 53,112,484</u>	<u>\$ 55,512,292</u>

Oconee County, Georgia
Water and Sewer Fund
Bond Disclosures
Historical Debt Service Coverage Ratios
June 30, 2012

Set forth below are the System's historical debt service coverage ratios for the past five fiscal years.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Historical Net Revenues Available for Debt Service (1)	\$ 4,325,977	\$ 2,414,518	\$ 3,655,533	\$ 3,638,546	\$ 4,153,385
Historical Debt Service on Revenue Bonds	1,515,034	1,515,351	1,567,993	815,358	1,416,614
Historical Debt Service Coverage Ratio	2.86	1.59	2.33	4.46	2.93

1 Consists of: (i) Change in net assets, plus Depreciation, plus Amortization - UOBWA(amortization of the reasonable investment cost in the Upper Oconee Basin Water Authority), plus Interest expense; minus (ii) capital contributions.

Compliance

Treadwell, Tamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

1031 Park Drive, Suite #1
Watkinsville, GA 30677

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 the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, Georgia as of and for the year ended June 30, 2012, which collectively comprise the Oconee County, Georgia's basic financial statements and have issued our report thereon dated December 28, 2012. We did not audit the financial statements of the Oconee County Health Department. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Oconee County Health Department, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oconee County, Georgia's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oconee County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oconee County, Georgia's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

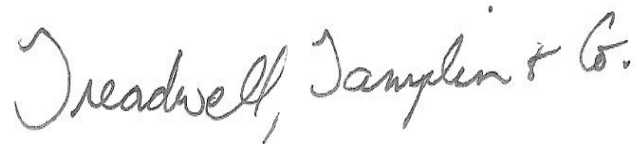
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oconee County, Georgia's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2007-3.

We noted certain other matters that we have reported to management of Oconee County, Georgia in a separate letter dated December 28, 2012.

Oconee County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Oconee County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Watkinsville, Georgia
December 28, 2012

Treadwell, Tamplin & Co.

Certified Public Accountants

A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

1031 Park Drive, Suite #1
Watkinsville, GA 30677

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Commissioners of
Oconee County, Georgia

Compliance

We have audited the compliance of Oconee County, Georgia, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. Oconee County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Oconee County, Georgia's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Oconee County, Georgia's compliance based on our audit

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oconee County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Oconee County, Georgia's compliance with those requirements.

Opinion

In our opinion, Oconee County, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

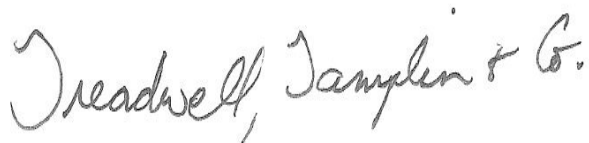
Internal Control Over Compliance

Management of Oconee County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Oconee County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oconee County, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report is solely to describe our opinion on the County's compliance with the compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major programs and to describe the scope of our testing of the County's internal controls over compliance with the applicable compliance requirements. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's compliance, and its internal controls over compliance, with OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Watkinsville, Georgia
December 28, 2012

Oconee County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Grantor Number	Program or Award Amount	Receipt Recognized	Expenditures
US Dept of Health and Human Services:					
<i>Northeast Georgia Regional Commission</i>					
Title III B	93.044	427-00-373-00000008305	\$ 10,457	\$ 10,457	\$ 10,457
Title III C-1	93.045	427-00-373-00000008305	31,811	31,811	31,811
Title III C-2	93.053	427-00-373-00000008305	27,603	27,603	27,603
			<u>69,871</u>	<u>69,871</u>	<u>69,871</u>
US Dept of Justice:					
<i>Council of Juvenile Court Judges of Georgia</i>					
Purchase of Services for Juvenile Offenders Program	16.523	JB-08ST-0002	7,000	1,260	1,260
	16.523	JB-09ST-0004	7,000	4,440	4,440
<i>Criminal Justice Coordinating Council</i>					
Violence Against Women Act	16.588	W10-8-060	120,585	72,733	72,733
		W10-8-044	78,002	39,796	39,796
		W11-8-042	116,170	50,455	50,455
		W11-8-043	45,503	6,577	6,577
American Recovery and Reinvestment Act - Violence Against Women Act	16.588	W82-8-068	32,497	32,497	32,497
		W82-8-073	25,000	25,000	25,000
Victims of Crime Act of 1984	16.575	C10-8-128	84,540	26,892	26,892
		C11-8-092	84,540	62,432	62,432
			<u>600,837</u>	<u>322,082</u>	<u>322,082</u>
US Department of Homeland Security					
<i>Georgia Emergency Management Agency</i>					
State Homeland Security Program	97.067	EMW-2011-SS-00081-S01	1,200,000	1,200,000	1,200,000
Emergency Management Performance Grant	97.042	OEM11-110	18,188	18,188	18,188
			<u>1,218,188</u>	<u>1,218,188</u>	<u>1,218,188</u>
US Department of Labor					
<i>Governor's Office of Workforce Development</i>					
Certified Work Ready Community	17.266	AA-20189-10-55-A13	7,000	3,250	3,250
			<u>7,000</u>	<u>3,250</u>	<u>3,250</u>
US Department of Transportation					
<i>Georgia Emergency Management Agency</i>					
State and Community Highway Safety	20.600	TEN-2011-108-00519	15,000	899	899
		TEN-2012-108-00273	15,000	14,888	14,888
<i>Northeast Georgia Regional Commission</i>					
Coordinated Transportation	20.513	427-00-373-00000008305	32,616	32,616	32,616
			<u>62,616</u>	<u>48,403</u>	<u>48,403</u>
US Environmental Protection Agency					
<i>Georgia Environmental Finance Authority</i>					
Clean Water State Revolving Fund	66.458	CWSRF 09-062	1,440,000	960,943	960,943
			<u>1,440,000</u>	<u>960,943</u>	<u>960,943</u>
Total			<u>\$ 3,398,512</u>	<u>\$ 2,622,737</u>	<u>\$ 2,622,737</u>

Oconee County, Georgia
Notes to Schedule of Expenditures of Federal Awards
June 30, 2012

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Oconee County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Oconee County, Georgia
Schedule of Findings and Questioned Costs
June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Internal control over financial reporting:

Unqualified on all opinion units

Material weakness (es) identified? _____ yes X no

Significant deficiency (ies) not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no **

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency (ies) not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Clean Water State Revolving Funds
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as a low risk auditee? _____ yes X no

** Our audit procedures did not identify any noncompliance which is material to the financial statements of the auditee. However, in the process of performing our procedures we did identify conditions that appear to be a potential violation of state law. This instance of possible noncompliance is reported in the Schedule of Findings and Questioned Costs in accordance with the requirements of Government Auditing Standards Section 5.15(a) which requires that the auditor report "illegal acts that have an effect on the financial statements that is more than inconsequential".

Oconee County, Georgia
Schedule of Findings and Questioned Costs
June 30, 2012

Section II – Findings and Questioned Costs – Financial Statement Findings and Responses

2007-3 Fine remittance

Criteria: On July 1, 2004, a new state law went into effect that requires entities that collect fines to remit all monies collected during a given month during the following month in accordance with a specific ordering schedule included in the law.

Condition: We noted that the Superior Court had \$14,571 in its banking accounts that represented partial payments of fines that had not yet been paid in full. This amount is reduced from the amount that Superior Court had in unremitted partial payments at June 30, 2010 of \$18,038.

Effect: Because the Superior Court did not remit the fines timely, the different entities that were to receive money from the payment of the fine did not receive a payment. Additionally, the presence of additional funds in the Court increases the risk of a significant theft.

Cause: The Superior Court Clerk has not remitted the fines as required because of the time intensive nature of the work that would be required to remit the fines properly.

Recommendation: We recommend that the Superior Court Clerk institute policies that allow the Superior Court to comply with state law.

Views of Officials: Management concurs with audit finding. The Finance Director will coordinate with the Clerk of Courts to affect the administrative detail to separate partial payment of monies (fines) to the various entities and request the Clerk of Courts to make distribution in accordance with in the ordering schedule included in State law.

Section III – Findings and Questioned Costs – Federal Awards Findings and Responses

None reported.

Oconee County, Georgia
Summary Schedule of Prior Audit Findings
June 30, 2012

There were no reported prior year findings relative to federal awards.



Oconee County Finance Department

Board of Commissioners

Melvin Davis, Chairman
Jim Luke, Post 1
John Daniell, Post 2
Margaret Hale, Post 3
Chuck Horton, Post 4

28 December 2012

To: Edward Blaha, Director
Georgia Department of Audits and Accounts
270 Washington Street, S.W., Room 1-156
Atlanta, Georgia 30334-8400

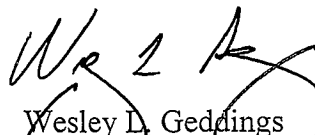
Subj: **Corrective Action Plan**
Oconee County, Georgia
Audit Period Ending June 30, 2012

1. In response to the Schedule of Audit Findings for period ending June 30, 2012, if you have any questions pertaining to this Corrective Action Plan, please contact Wesley L. Geddings, Finance Director, via email at wgeddings@oconee.ga.us or by phone at 706-769-2944.
2. The following Summary of Corrective Action is submitted for your consideration:

2007-3 Fine Remittance

View of Officials: Management concurs with audit finding. The Finance Director will continue to provide expertise to the Clerk of Courts to affect the administrative detail to separate partial payment of monies (fines) to the various entities and request the Clerk of Courts to make distribution in accordance with in the ordering schedule included in State law.

Sincerely,


Wesley L. Geddings
Finance Director

WG/dn

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2012

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
2004 Referendum***						
Water & Sewer improvements	\$ 6,000,000	\$ 6,637,752	\$ 5,130,603	\$ 658,276	\$ 5,788,879	87.21%
Recreation & cultural facilities	5,000,000	5,031,350	5,031,350	-	5,031,350	100.00%
Roads	6,000,000	6,276,265	6,274,731	1,533	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	1,385,637	59,874	1,445,511	96.37%
County facilities expansion and renovation	4,600,000	4,600,000	534,413	287,130	821,543	17.86%
Totals	<u>\$ 25,000,000</u>	<u>\$ 26,046,758</u>	<u>\$ 20,358,125</u>	<u>\$ 1,006,813</u>	<u>\$ 21,364,938</u>	
2009 Referendum***						
Recreation facilities	\$ 4,847,985	\$ 4,847,985	\$ 1,281,078	\$ 534,351	\$ 1,815,429	37.45%
County Jail and Emergency Operation Center-911 Building	6,059,981	6,059,981	1,892,454	1,081,397	2,973,851	49.07%
Water & Sewer facilities	6,884,176	6,884,176	14,800	-	14,800	0.21%
Roads, Streets & Bridges	8,080,020	8,080,020	1,405,631	1,652,421	3,058,052	37.85%
Recreational, Historic and Scenic Facilities	1,110,999	1,110,999	-	-	-	0.00%
Fire Station Facilities and Equipment	3,939,014	3,939,014	-	14,656	14,656	0.37%
Communication Facilities	3,232,001	3,232,001	2,902,500	160,000	3,062,500	94.76%
Farmland Protection	504,984	504,984	-	111,000	111,000	21.98%
Payment to Cities						
City of Watkinsville	3,227,960	3,227,960	692,127	436,554	1,128,681	34.97%
Town of Bogart	1,616,000	1,616,000	346,497	218,550	565,047	34.97%
Town of North High Shoals	674,680	674,680	144,662	91,245	235,907	34.97%
Town of Bishop	222,200	222,200	47,643	30,051	77,694	34.97%
Totals	<u>\$ 40,400,000</u>	<u>\$ 40,400,000</u>	<u>\$ 8,727,392</u>	4,330,225	<u>\$ 13,057,617</u>	
Costs incurred in SPLOST fund reimbursed by transfers from other funds				42,250		
Costs incurred in SPLOST fund reimbursed by grant revenue				304,360		
Total expenditures and transfers reported in the SPLOST 2009 fund				<u>\$ 4,676,835</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, 2012

<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	427-93-11110019-99	\$ 31,725	\$ 42,250	\$ 10,525

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2012

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	<u>UMB Wholesale Bank (Sprint/Nextel)</u>		\$ 1,166.21
	<u>AT&T Mobility</u>		\$ 51,362.10
	<u>Metro PCS Wireless</u>		\$ 1,350.90
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	\$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	\$ 1,200,000.00
3c	Maintenance costs	46-5-134(f)(1)(A)	\$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	\$ 551,514.88
5b	Employee benefits	46-5-134(f)(1)(C)	\$ 200,820.81
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ 2,358.43
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	\$ 8,606.73
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	\$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	\$ 181,528.48
9b	Purchase costs	46-5-134(f)(1)(G)	\$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	\$ _____

Oconee County Board of Commissioners
 Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2012

Line No.		O.C.G.A. Reference:	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$ _____
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)	\$ _____
11b	Purchase costs	46-5-134(f)(1)(I)	\$ _____
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ 5,492.20
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ 177,419.01
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)	\$ 2,400.00
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ _____
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ _____
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____

Oconee County Board of Commissioners
Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2012

Line
No.

OCGA
Reference:


17 Other expenditures not included in Lines 2 through 16 above.
Identify by object and purpose.

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 2,384,019.75


Certification of Local Government Officials

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

Signature of Chief Elected Official  Date 12/28/12

Print Name of Chief Elected Official Melvin Davis

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

Signature of Chief Financial Officer  Date 12/28/12

Print Name of Chief Financial Officer Wes Geddings

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