

OCONEE COUNTY, GEORGIA

**VERIFICATION REPORT FOR THE
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017**

October 17, 2017

Oconee County
23 North Main Street
Watkinsville, Georgia 30677

Gray Pannell & Woodward LLP
3060 Peachtree Road, Suite 730
Atlanta, Georgia 30305

Stifel, Nicolaus & Company, Incorporated
3630 Peachtree Road N.E., Suite 400
Atlanta, Georgia 30326

We have completed our engagement to verify the mathematical accuracy of the computations relating to (a) the adequacy of cash plus U.S. Treasury Securities to be held in escrow to pay the debt service requirements of the Water and Sewerage Refunding Revenue Bonds, Series 2009 (herein referred to as the "Refunded Bonds") issued by Oconee County, Georgia (herein referred to as the "County") and (b) the yield on the escrowed securities. We express no opinion as to the attainability of the assumptions underlying the computations or the tax-exempt status of the Refunded Bonds. Our verification was performed solely on the information contained in certain schedules of proposed transactions provided by Stifel, Nicolaus & Company, Incorporated (herein referred to as the "Underwriter"). In the course of our engagement to verify the mathematical accuracy of the computations in the schedules provided to us, we prepared Exhibits A through C attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The County intends to issue its Water and Sewerage Taxable Refunding Revenue Bonds, Series 2017 (herein referred to as the "Refunding Bonds"), as federally taxable obligations, on October 17, 2017 to advance refund the Refunded Bonds. A portion of the proceeds of the Refunding Bonds will be used, together with certain amounts to be contributed from the principal and interest funds associated with the Refunded Bonds, to purchase U.S. Treasury Securities and to provide cash that will be placed into an escrow account to advance refund the Refunded Bonds.

The Escrow Agent will pay the debt service requirements of the Refunded Bonds on each scheduled payment date through and including September 1, 2019. The Refunded Bonds are not subject to optional redemption prior to maturity.

ESCROW ACCOUNT TRANSACTIONS

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to advance refund the Refunded Bonds.

The presently outstanding debt service requirements of the Refunded Bonds will be satisfied by the purchase of U.S. Treasury Securities (as described in Exhibit A-2) plus \$0.09 in cash. The securities and cash will be placed in an irrevocable escrow account and held therein until the debt service requirements of the Refunded Bonds are paid as previously described.

We read a copy of the Official Statement for the Refunded Bonds insofar as these obligations are described with respect to principal amounts, interest rates and maturity dates. We assumed this document to be accurate and all debt service payments on the Refunded Bonds to be current as of October 17, 2017. We compared the above information set forth in this Official Statement with the related information contained in the schedules provided to us and found the information to be consistent.

We compared the subscribed interest rates of the U.S. Treasury Securities (State and Local Government Series) to be purchased and placed in escrow with the maximum allowable interest rates as published in the SLGS Daily Rate Table by the Bureau of the Fiscal Service for October 3, 2017 and found the subscribed rates to be less than or equal to the maximum allowable rates that were in effect on the subscription date for each applicable maturity date.

Based on the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits A through B, which indicate that the cash and securities proposed to be placed in escrow by the County will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded Bonds, are mathematically correct.

YIELD ON THE INVESTMENT IN THE ESCROWED OBLIGATIONS PURCHASED TO REFUND THE REFUNDED BONDS

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in the escrowed U.S. Treasury Securities purchased to refund the Refunded Bonds based on an assumed settlement date of October 17, 2017 and a purchase price of \$1,813,177.00. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the escrowed securities to an amount equal to the purchase price of the escrowed securities. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the escrow account, and assume that all cash balances are not reinvested.

Based upon the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibit C, which indicate that the yield on the escrowed securities purchased to refund the Refunded Bonds is 1.39101%, are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the issuance of the Refunding Bonds and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in the Official Statement for the Refunding Bonds, (ii) reference may be made to the report in the purchase contract or in any closing documents pertaining to the issuance of the Refunding Bonds, (iii) the report may be used in its entirety as an exhibit to the escrow agreement for the Refunded Bonds, (iv) the report may be included in the transcripts pertaining to the issuance of the Refunding Bonds, (v) the report may be relied upon by Bond Counsel in connection with its opinion concerning the Refunded Bonds, (vi) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the Refunding Bonds, and (vii) the report may be relied upon by the Escrow Agent for the Refunded Bonds.

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The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the bonds related to the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

Causesy Deming & Moore P.C.

EXHIBIT A

OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017

ESCROW ACCOUNT CASH FLOW
AS OF OCTOBER 17, 2017

<u>Date</u>	<u>Cash Receipts From U.S. Treasury Securities (Exhibit A-1)</u>	<u>Cash Disbursements From Escrow (Exhibit B)</u>	<u>Cash Balance</u>
Beginning Balance:			\$0.09
01-Mar-18	\$39,200.11	\$39,200.00	0.20
01-Sep-18	939,200.13	939,200.00	0.33
01-Mar-19	16,700.29	16,700.00	0.62
01-Sep-19	851,699.38	851,700.00	0.00
	<u>\$1,846,799.91</u>	<u>\$1,846,800.00</u>	

OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017

CASH RECEIPTS FROM THE ESCROWED SECURITIES
AS OF OCTOBER 17, 2017

	\$34,434.00	\$922,676.00	\$10,498.00	\$845,569.00	
	1.100000%	1.280000%	1.370000%	1.450000%	Total
Payment	SLGS (1)	SLGS (1)	SLGS (2)	SLGS (2)	Cash
Date	01-Mar-18	01-Sep-18	01-Mar-19	01-Sep-19	Receipts
01-Mar-18	\$34,574.09		\$53.64	\$4,572.38	\$39,200.11
01-Sep-18		\$932,997.84	71.91	6,130.38	939,200.13
01-Mar-19			10,569.91	6,130.38	16,700.29
01-Sep-19				851,699.38	851,699.38
	<u>\$34,574.09</u>	<u>\$932,997.84</u>	<u>\$10,695.46</u>	<u>\$868,532.52</u>	<u>\$1,846,799.91</u>

- (1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).
(2) U.S. Treasury Note or Bond (State and Local Government Series).

**OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
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**DESCRIPTION OF THE ESCROWED SECURITIES
AS OF OCTOBER 17, 2017**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	17-Oct-17	01-Mar-18	\$34,434.00	1.100%	100.000000%	\$34,434.00
SLGS	17-Oct-17	01-Sep-18	922,676.00	1.280%	100.000000%	922,676.00
SLGS	17-Oct-17	01-Mar-19	10,498.00	1.370%	100.000000%	10,498.00
SLGS	17-Oct-17	01-Sep-19	845,569.00	1.450%	100.000000%	845,569.00
			<u>\$1,813,177.00</u>			<u>\$1,813,177.00</u>

OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017

ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS
FOR THE REFUNDED BONDS
AS OF OCTOBER 17, 2017

Payment Date	Rate	Payment For		
		Maturing Principal	Interest	Total
01-Mar-18			\$39,200.00	\$39,200.00
01-Sep-18	5.000%	\$900,000.00	39,200.00	939,200.00
01-Mar-19			16,700.00	16,700.00
01-Sep-19	4.000%	835,000.00	16,700.00	851,700.00
		<u>\$1,735,000.00</u>	<u>\$111,800.00</u>	<u>\$1,846,800.00</u>

EXHIBIT C

OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017

YIELD ON THE ESCROWED SECURITIES
AS OF OCTOBER 17, 2017

Date	Total Cash Receipts From U.S. Treasury Securities (Exhibit A)	Present Value at October 17, 2017 Using a Semi-Annually Compounded Yield of 1.39101%
01-Mar-18	\$39,200.11	\$38,998.37
01-Sep-18	939,200.13	927,912.98
01-Mar-19	16,700.29	16,385.63
01-Sep-19	851,699.38	829,880.02
	<u>\$1,846,799.91</u>	<u>\$1,813,177.00</u>

Total Cost of the Securities \$1,813,177.00

EXHIBIT D

OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
SERIES 2017

ESTIMATED SOURCES AND USES OF FUNDS
AS OF OCTOBER 17, 2017

Sources of Funds:

Par Value of Bonds	\$1,765,000.00
Original Issue Premium	8,589.10
Interest Fund Contribution	6,533.33
Principal Fund Contribution	75,000.00
Total Sources of Funds	<u>\$1,855,122.43</u>

Uses of Funds:

Beginning Escrow Account Cash Balance	\$0.09
Cost of the Escrowed Securities	1,813,177.00
Issuance Costs	25,876.45
Underwriter's Discount	13,237.50
Contingency	2,831.39
Total Uses of Funds	<u>\$1,855,122.43</u>

**OCONEE COUNTY, GEORGIA
WATER AND SEWERAGE TAXABLE REFUNDING REVENUE BONDS
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**REFUNDING BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF OCTOBER 17, 2017**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Original Issue Premium/ (Discount)	Total Production
		Principal	Interest				
01-Mar-18			\$13,139.44	\$13,139.44			
01-Sep-18	2.000%	\$925,000.00	17,650.00	942,650.00	100.430%	\$3,977.50	\$928,977.50
01-Mar-19			8,400.00	8,400.00			
01-Sep-19	2.000%	840,000.00	8,400.00	848,400.00	100.549%	4,611.60	844,611.60
		<u>\$1,765,000.00</u>	<u>\$47,589.44</u>	<u>\$1,812,589.44</u>		<u>\$8,589.10</u>	<u>\$1,773,589.10</u>