

**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

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**VERIFICATION REPORT FOR THE  
TAXABLE REVENUE REFUNDING BONDS  
(ECONOMIC DEVELOPMENT PROJECTS)  
SERIES 2020**

May 1, 2020

Oconee County Industrial Development  
Authority  
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 Northeast, Suite 400  
Atlanta, Georgia 30326

We have completed our engagement to verify the mathematical accuracy of the computations relating to the adequacy of cash plus U.S. Treasury Securities to be held in escrow to pay the debt service requirements of the Revenue Bonds (Economic Development Projects) Series 2012 (herein referred to as the "Refunded Bonds") issued by the Oconee County Industrial Development Authority (Georgia) (herein referred to as the "Authority"). 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 "Placement Agent"). 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 B 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 Authority intends to issue its Taxable Revenue Refunding Bonds (Economic Development Projects), Series 2020 (herein referred to as the "Refunding Bonds"), as federally taxable obligations, on May 1, 2020 to refund the Refunded Bonds. A portion of the proceeds of the Refunding Bonds will be used to purchase U.S. Treasury Securities and to provide cash that will be placed into an escrow account to refund the Refunded Bonds.

The Escrow Agent will (1) redeem those Refunded Bonds stated to mature on March 1, 2034 on May 1, 2020, at a redemption price equal to 100% of par plus accrued interest to such date, (2) pay the debt service requirements of those Refunded Bonds maturing on March 1, 2023 through and

including March 1, 2032 on each scheduled payment date through and including March 1, 2022 and (3) redeem those Refunded Bonds maturing March 1, 2023 through and including March 1, 2032, at a redemption price equal to 100% of par, on March 1, 2022, which is the first optional redemption date for these bonds.

### **ESCROW ACCOUNT TRANSACTIONS**

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to 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 \$1,333,171.03 in cash. The securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded Bonds are redeemed as previously described.

We read a copy of the Official Statement dated February 23, 2012 for the Refunded Bonds insofar as these obligations are described with respect to principal amounts, interest rates, maturity dates and redemption provisions. We assumed this document to be accurate, all debt service payments on the Refunded Bonds to be current as of May 1, 2020 and proper and timely notice of redemption to have been given. 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 March 31, 2020 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 Authority will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded Bonds, 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 purchase contract or in any closing documents pertaining to the issuance of the Refunding Bonds, (ii) the report may be used in its entirety as an exhibit to the escrow agreement for the Refunded Bonds, (iii) the report may be included in the transcripts pertaining to the issuance of the Refunding Bonds, (iv) the report may be relied upon by Bond Counsel in connection with its opinion concerning the Refunded Bonds, (v) the report may be

Oconee County Industrial Development Authority  
May 1, 2020  
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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 (vi) 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,



**EXHIBIT A**

**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
TAXABLE REVENUE REFUNDING BONDS  
(ECONOMIC DEVELOPMENT PROJECTS)  
SERIES 2020**

**ESCROW ACCOUNT CASH FLOW  
AS OF MAY 1, 2020**

<b>Date</b>	<b>Cash Receipts From U.S. Treasury Securities (Exhibit A-1)</b>	<b>Cash Disbursements From Escrow (Exhibit B)</b>	<b>Cash Balance</b>
Beginning			
Balance:			\$1,333,171.03
01-May-20		\$1,333,170.83	0.20
01-Sep-20	\$86,547.40	86,546.88	0.72
01-Mar-21	551,546.83	551,546.88	0.67
01-Sep-21	81,606.07	81,606.25	0.49
01-Mar-22	5,606,605.76	5,606,606.25	0.00
	<u>\$6,326,306.06</u>	<u>\$7,659,477.09</u>	

**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
TAXABLE REVENUE REFUNDING BONDS  
(ECONOMIC DEVELOPMENT PROJECTS)  
SERIES 2020**

**CASH RECEIPTS FROM THE ESCROWED SECURITIES  
AS OF MAY 1, 2020**

	<b>\$82,551.00</b>	<b>\$545,057.00</b>	<b>\$75,661.00</b>	<b>\$5,600,725.00</b>	
	<b>0.080000%</b>	<b>0.120000%</b>	<b>0.170000%</b>	<b>0.210000%</b>	<b>Total</b>
<b>Payment</b>	<b>SLGS (1)</b>	<b>SLGS (1)</b>	<b>SLGS (2)</b>	<b>SLGS (2)</b>	<b>Cash</b>
<b>Date</b>	<b>01-Sep-20</b>	<b>01-Mar-21</b>	<b>01-Sep-21</b>	<b>01-Mar-22</b>	<b>Receipts</b>
01-Sep-20	\$82,573.25		\$42.99	\$3,931.16	\$86,547.40
01-Mar-21		\$545,601.76	64.31	5,880.76	551,546.83
01-Sep-21			75,725.31	5,880.76	81,606.07
01-Mar-22				5,606,605.76	5,606,605.76
	<u>\$82,573.25</u>	<u>\$545,601.76</u>	<u>\$75,832.61</u>	<u>\$5,622,298.44</u>	<u>\$6,326,306.06</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 INDUSTRIAL DEVELOPMENT AUTHORITY  
TAXABLE REVENUE REFUNDING BONDS  
(ECONOMIC DEVELOPMENT PROJECTS)  
SERIES 2020**

**DESCRIPTION OF THE ESCROWED SECURITIES  
AS OF MAY 1, 2020**

<b>Type</b>	<b>Settlement Date</b>	<b>Maturity Date</b>	<b>Par Amount</b>	<b>Coupon Rate</b>	<b>Price</b>	<b>Total Cost</b>
SLGS	01-May-20	01-Sep-20	\$82,551.00	0.080%	100.000000%	\$82,551.00
SLGS	01-May-20	01-Mar-21	545,057.00	0.120%	100.000000%	545,057.00
SLGS	01-May-20	01-Sep-21	75,661.00	0.170%	100.000000%	75,661.00
SLGS	01-May-20	01-Mar-22	5,600,725.00	0.210%	100.000000%	5,600,725.00
			<u>\$6,303,994.00</u>			<u>\$6,303,994.00</u>

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TAXABLE REVENUE REFUNDING BONDS  
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ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS  
FOR THE REFUNDED BONDS  
AS OF MAY 1, 2020

Payment Date	Rate	Payment For			Total
		Maturing Principal	Principal Redeemed	Interest	
01-May-20	3.700%		\$1,325,000.00	\$8,170.83	\$1,333,170.83
01-Sep-20				86,546.88	86,546.88
01-Mar-21	2.125%	\$465,000.00		86,546.88	551,546.88
01-Sep-21				81,606.25	81,606.25
01-Mar-22	Various		5,525,000.00	81,606.25	5,606,606.25
		\$465,000.00	\$6,850,000.00	\$344,477.09	\$7,659,477.09



**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
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(ECONOMIC DEVELOPMENT PROJECTS)  
SERIES 2020**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED BONDS  
ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY  
AS OF MAY 1, 2020**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Rate	Payment For		Interest	Total Debt Payment
			Principal to be Called on 01-Mar-22	Principal to be Called on 01-May-20		
01-Sep-20					\$111,059.38	\$111,059.38
01-Mar-21	2.125%		\$465,000.00		111,059.38	576,059.38
01-Sep-21					106,118.75	106,118.75
01-Mar-22					106,118.75	106,118.75
01-Sep-22					106,118.75	106,118.75
01-Mar-23	2.500%		485,000.00		106,118.75	591,118.75
01-Sep-23					100,056.25	100,056.25
01-Mar-24	2.500%		500,000.00		100,056.25	600,056.25
01-Sep-24					93,806.25	93,806.25
01-Mar-25	3.000%		510,000.00		93,806.25	603,806.25
01-Sep-25					86,156.25	86,156.25
01-Mar-26	2.750%		525,000.00		86,156.25	611,156.25
01-Sep-26					78,937.50	78,937.50
01-Mar-27	3.000%		540,000.00		78,937.50	618,937.50
01-Sep-27					70,837.50	70,837.50
01-Mar-28	3.000%		560,000.00		70,837.50	630,837.50
01-Sep-28					62,437.50	62,437.50
01-Mar-29	3.000%		575,000.00		62,437.50	637,437.50
01-Sep-29					53,812.50	53,812.50
01-Mar-30	3.100%		590,000.00		53,812.50	643,812.50
01-Sep-30					44,667.50	44,667.50
01-Mar-31	3.200%		610,000.00		44,667.50	654,667.50
01-Sep-31					34,907.50	34,907.50
01-Mar-32	3.300%		630,000.00		34,907.50	664,907.50
01-Sep-32					24,512.50	24,512.50
01-Mar-33		3.700%		\$650,000.00	24,512.50	674,512.50
01-Sep-33					12,487.50	12,487.50
01-Mar-34		3.700%		675,000.00	12,487.50	687,487.50
			<u>\$5,990,000.00</u>	<u>\$1,325,000.00</u>	<u>\$1,971,831.26</u>	<u>\$9,286,831.26</u>

**EXHIBIT C**

**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
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(ECONOMIC DEVELOPMENT PROJECTS)  
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**ESTIMATED SOURCES AND USES OF FUNDS  
AS OF MAY 1, 2020**

<b>Sources of Funds:</b>	
Par Value of Bonds	<u>\$7,790,000.00</u>
Total Sources of Funds	<u><u>\$7,790,000.00</u></u>
<b>Uses of Funds:</b>	
Beginning Escrow Account Cash Balance	\$1,333,171.03
Cost of the Escrowed Securities	6,303,994.00
Issuance Costs	151,825.00
Contingency	<u>1,009.97</u>
Total Uses of Funds	<u><u>\$7,790,000.00</u></u>

**OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
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**REFUNDING BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION  
AS OF MAY 1, 2020**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Total Production
		Principal	Interest			
01-Sep-20			\$32,458.33	\$32,458.33		
01-Mar-21			48,687.50	48,687.50		
01-Sep-21			48,687.50	48,687.50		
01-Mar-22	1.250%	\$70,000.00	48,687.50	118,687.50	100.000%	\$70,000.00
01-Sep-22			48,250.00	48,250.00		
01-Mar-23	1.250%	600,000.00	48,250.00	648,250.00	100.000%	600,000.00
01-Sep-23			44,500.00	44,500.00		
01-Mar-24	1.250%	610,000.00	44,500.00	654,500.00	100.000%	610,000.00
01-Sep-24			40,687.50	40,687.50		
01-Mar-25	1.250%	615,000.00	40,687.50	655,687.50	100.000%	615,000.00
01-Sep-25			36,843.75	36,843.75		
01-Mar-26	1.250%	620,000.00	36,843.75	656,843.75	100.000%	620,000.00
01-Sep-26			32,968.75	32,968.75		
01-Mar-27	1.250%	630,000.00	32,968.75	662,968.75	100.000%	630,000.00
01-Sep-27			29,031.25	29,031.25		
01-Mar-28	1.250%	640,000.00	29,031.25	669,031.25	100.000%	640,000.00
01-Sep-28			25,031.25	25,031.25		
01-Mar-29	1.250%	645,000.00	25,031.25	670,031.25	100.000%	645,000.00
01-Sep-29			21,000.00	21,000.00		
01-Mar-30	1.250%	655,000.00	21,000.00	676,000.00	100.000%	655,000.00
01-Sep-30			16,906.25	16,906.25		
01-Mar-31	1.250%	665,000.00	16,906.25	681,906.25	100.000%	665,000.00
01-Sep-31			12,750.00	12,750.00		
01-Mar-32	1.250%	670,000.00	12,750.00	682,750.00	100.000%	670,000.00
01-Sep-32			8,562.50	8,562.50		
01-Mar-33	1.250%	680,000.00	8,562.50	688,562.50	100.000%	680,000.00
01-Sep-33			4,312.50	4,312.50		
01-Mar-34	1.250%	690,000.00	4,312.50	694,312.50	100.000%	690,000.00
		<u>\$7,790,000.00</u>	<u>\$820,208.33</u>	<u>\$8,610,208.33</u>		<u>\$7,790,000.00</u>