



OCONEE COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2020

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OCONEE COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

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Independent Auditor's Report

Honorable Chairman and
Members of the Board of Commissioners
Oconee County, Georgia

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise Oconee County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oconee County Board of Health or the Oconee County Tourism & Visitors Bureau, which represent 100% of the assets, 100% of the net position, and 100% of the revenues of the County's component units for the year ended June 30, 2020. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oconee County Board of Health and the Oconee County Tourism & Visitors Bureau, is based solely on the reports of the 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. The financial statements of the Oconee County Tourism & Visitors Bureau were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports 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 of Oconee County, Georgia, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 86 through 93, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, Georgia's basic financial statements. The combining statements, the schedule of projects financed with special purpose local option sales tax, and the schedule of state contractual assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, the schedule of projects financed with 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, the schedule of projects financed with special purpose local option sales tax, and the schedule of state contractual assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020, on our consideration of Oconee County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oconee County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 4, 2020

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MANAGEMENT DISCUSSION AND ANALYSIS

**OCONEE COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2020**

OCONEE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

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

Oconee County's government-wide financial statements, as described below, show an increasing net position indicating long-term stability. Oconee County's fund financial statements also show an increase in fund balance. Short term financial liquidity remains a strength of Oconee County. In summary, the County's financial position is strong. Oconee County continues to practice conservative fiscal policies.

Overview of the Financial Statements

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

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

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

Government-Wide Financial Statements

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

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2020. The difference between these assets and liabilities is reported as net position. Assets, liabilities and net position are reported for all governmental activities separate from the assets, liabilities and

net position of business-type activities. Changes in net position over time may be helpful in identifying an improving or deteriorating financial position.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events which give rise to the change, regardless of the timing of the related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

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

Governmental activities reported in the statements include public safety, public works, general government, culture and recreation, judicial, housing and development, and health and welfare. Business-type activities financed by user charges include water and sewer, sanitation collection sites, and special facilities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been separated for specific activities or objectives. Like other state and local governments, Oconee County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and Generally Accepted Accounting Principles (GAAP). All funds of Oconee County government can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds account for the same functions as those reported under the government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year. This has a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Oconee County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for government funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison. The county reports two major governmental funds – General Fund and SPLOST 2015 Fund. The County's basic governmental fund financial statements are presented on pages 18-23 of this report.

Proprietary Funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. The County's proprietary fund financial statements are presented on pages 24-28 of this report.

Fiduciary Funds are agency funds held in a custodial nature outside the general county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the fiduciary funds are not available to support Oconee County Government's general programs. The accrual accounting used for fiduciary funds is much like that used for proprietary funds. Funds held by Oconee County for investment reflect in this section as an Agency Fund. The county reports six agency funds – Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court. (pg. 29)

Notes to the Financial Statement

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

Financial Analysis of Oconee County

Government – Wide Financial Analysis

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2019 and the fiscal year ended June 30, 2020. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ending 2020 shows an increase in the change in net position of \$7.46 million (Table 2) over the previous fiscal year.

Governmental activities net position increased \$5,817,519. (pg. 17) This increase is due to multiple grants from the State of Georgia and increased tax revenues with reductions in expenditures for public works and SPLOST transfers to the Water & Sewer Fund for projects.

Business-type activities net position increased \$1,640,389 (pg. 17) as a result of increased water sales revenue.

Total program revenues for primary government consist of charges for services, operating grants and contributions, and capital grants and contributions. Overall program revenues decreased from the previous fiscal year due to capital contribution changes. In 2019, the County received a contribution of \$2.03 million when the Bogart Library expansion was complete. General revenues for the primary government consist mainly of sales taxes and property taxes. Other general revenues are business taxes and intangible taxes. General revenues increased from the previous fiscal year. The County experienced a digest increase and increased vehicle sales resulting in increased property tax revenue.

Governmental Funds Financial Analysis

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

As of June 30, 2020, Oconee County governmental funds reported combined fund balances of \$25,536,182, up from \$21,231,660, in the prior year, an increase of \$4,304,522. (pg. 20)

General Fund is the chief operating fund of the county. At June 30, 2020, total fund balance in the general fund was \$15,280,453, an increase of \$3,330,980 from the prior year's fund balance of \$11,949,473. (pg. 20) The fund balance remains strong, and the Board of Commissioners continue to take measures to maintain conservative expenditures by working closely with Elected Officials and Department Directors.

SPLOST Capital Projects Fund reflects funds collected with the 1% sales tax and expended for capital items that are in agreement with the referendum approved by the voters. Because projects often cross several years and involve design, land acquisition and construction phases, expenditures may vary widely from year to year. Costs expended yearly in capital projects funds are added to the County's construction-in-progress until the project is complete, and then depreciated over its useful life. Water and Sewer projects funded by SPLOST are treated as transfers out to the Water and Sewer Fund and accounted for as Capital Improvement Projects in the Water and Sewer Fund. In fiscal year 2020, SPLOST funds contributed to farmland preservation, the Mars Hill and Malcom Bridge intersection roundabout, engineering for Phase II of Mars Hill Road improvements, water system improvements, and the civic center expansion. The SPLOST 2015 total fund balance was \$6,636,683. (pg. 20)

In fiscal year 2020, the County issued \$8,210,000 Series 2020 General Obligation Taxable Refunding Bonds. The issue was to refund the Series 2011 General Obligation Refunding Bonds that refunded the original Series 2003 issue which provided proceeds to fund the creation of Oconee Veterans Park. The bond principal and interest payments are payable from SPLOST.

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, 2020, total net position amounted to \$88,802,060. (pg. 26) This includes a change in net position of \$1,640,389. (pg. 26) Net position changes are a result of operations, non-operating revenues, depreciation, expenses, capital contributions, donated assets and grants. The funds in this category, Water and Sewer, Solid Waste, and Special Facility Funds, receive revenue from such areas as user fees, licenses, permits, rent and donated infrastructure.

The County is a member of the Upper Oconee Basin Water Authority (UOBWA). As part of the Intergovernmental Agreement between the County and UOBWA, the County contributes 20.959% interest and principal payments due under Series 2015 bonds. Reconciliation is performed at the Authority's year-end (December 31) to determine the actual cost sharing by each member county. (Note 11)

In October 2007, the county entered into an Intergovernmental Contract with Walton County and the Walton County Water and Sewerage Authority (WCWSA) for a Reservoir Project. The County makes contract payments sufficient to pay the Series 2015 and 2016 debt service.

Phase I of the intergovernmental project with the Walton County Water & Sewerage Authority, also referred to as the Hard Labor Creek Reservoir project, was completed in 2017. The Hard Labor Creek Reservoir project consists of a dam, reservoir, raw water pumping station, pipeline and water treatment plant. It is anticipated that the Hard Labor Creek Reservoir Project will be complete in 2023.

During 2013, the County entered into a note payable with WCWSA and Georgia Environmental Finance Authority (GEFA). The note allowed for up to \$20,000,000 of borrowing, of which the County's share of 28.8% would be \$5,760,000. At year-end, the entire note balance had been drawn and was outstanding. In July 2014, the county entered into a second note payable with WCWSA and GEFA. The note allows for up to \$12,000,000 of borrowing of which the County's share of 28.8% would be \$3,456,000. At year-end, the total borrowed to date was \$7,922,734 of which the County is responsible for \$2,281,748. (Note 11)

Additionally, Oconee County is utilizing Water and Sewer Revenue Bonds to supplement SPLOST funding as a means to assist in providing for future infrastructure, water sources and sewer needs. In October of 2017, Series 2017A Revenue Bonds were issued for the purpose of financing the renovation and improvement of the Calls Creek Wastewater Reclamation Facility and the acquisition, construction and installation of additional water and sewer facilities and equipment. Series 2017B Refunding Bonds were issued to refund Series 2009 Revenue Bonds. The bond issues were for \$10,915,000 and \$1,765,000 respectively. In 2019, the County expended the Series 2017 bond proceeds and completed the Calls Creek Wastewater Reclamation Facility and the addition of the Dove Creek water storage facility.

Oconee County maintains a debt service coverage that exceeds the requirement by bond covenants, and maintains a Moody's rating of Aa2, high quality and very low credit risk. For a detailed overview of Oconee County's Capital Assets, the reader is referred to Notes to the Financial Statements, Note 9. For Long-term Debt Obligations, the reader is referred to Note 11.

Financial Highlights

The local economy continues to move forward in Oconee County during COVID-19. The County is taking a conservative approach and planning for possible decreases in local, special, and hotel sales taxes, market fluctuations, and capital outlay expenditures. Unemployment

remains relatively low in Oconee County in comparison to our region and state. The continued growth of the Epps Bridge Centre in Oconee County has generated sales tax revenue and in turn supported the County's economy. The County continues to plan and promote prospective economic growth.

Oconee County's main revenue sources are sales taxes and property taxes. Sales tax revenues decreased 2.8% in fiscal year 2020. In November 2014, the voters approved via referendum SPLOST 2015. The first collections were in October 2015 and the first distribution to the County was received in November 2015. Final collections for SPLOST 2015 will be distributed to the County in October 2021. The County continues to utilize SPLOST funds to retire GO Bond debt for Parks & Recreation, and for the development of infrastructure such as roads, water and sewer improvements. There was an increase in the property tax digest due to an increasing population and new homes. While the millage rate was maintained, the property tax digest increase caused property tax revenues to increase in 2020.

Oconee County's total assets exceeded total liabilities at June 30, 2020, by \$181,971,206. (pg. 16) Effective in 2018, with the implementation of GASB 75, total liabilities now include total OPEB liability of \$9,270,241, an increase of \$3,182,972. (pg. 16 and Note 20)

As a whole, the financial position of the Oconee County government is stable. At June 30, 2020, Oconee County's Governmental Funds Balance Sheet combined ending fund balances were \$25,536,182 (pg. 18), including an unassigned fund balance of \$13,330,996. (pg. 18)

The General Fund committed \$1,035,939 (pg. 18) for SR53/Mars Hill Road. The previously committed signalization project at the Mars Hill, Rocky Branch, and Virgil Langford Road intersection has been completed.

Governmental funds report a \$7,305,950 restricted fund balance for capital projects, which restrict the following funds: (pg. 18)

Fund:	Balance:	Reference:
SPLOST 2004	156,229	Exhibit C-1
SPLOST 2009	215,634	Exhibit C-1
SPLOST 2015	6,617,595	Exhibit A-3
Hotel Sales Tax	238,191	Exhibit C-1
Industrial Development Authority Projects	78,301	Exhibit C-1
Total	\$7,305,950	

Capital Assets and Debt Administration

Oconee County has invested \$216,630,598 in capital assets net of accumulated depreciation. These assets include land, water and sewer treatment and distribution systems, infrastructure, buildings, equipment, and vehicles. Major capital asset expenditures during the current fiscal year include the following:

- Courthouse Expansion

- Signalization at the Mars Hill, Rocky Branch, and Virgil Langford Road Intersection
- Enterprise Resource System
- Mars Hill and Malcom Bridge Road Roundabout
- Civic Center Expansion

On June 30, 2020, Oconee County had debt totaling \$65,463,411. This debt is comprised of capital leases of \$161,040, installment sales of \$137,670, contracts of \$20,210,203, notes of \$8,041,748, bonds of \$35,720,000, and net premiums/discounts of \$1,192,750. (pg. 65) Changes in debt during the fiscal year are related to regularly scheduled principal payments and bond refundings. On May 1, 2020, the County issued two refunding bonds: Series 2020 Oconee County, Georgia General Obligation Taxable Refunding Bond and Series 2020 Oconee County Industrial Development Authority Taxable Revenue Refunding Bond for \$8,210,000 and \$7,790,000 respectively. (pg. 64) The Series 2011 Oconee County, Georgia General Obligation bond was defeased, and the Series 2012 Oconee County Industrial Development Authority Taxable Refunding Bond was partially refunded. The remaining balance at year-end is \$475,000. (pg. 55) The refundings resulted in a collective economic gain of \$1,382,647. (pg. 64)

Additional information on capital assets can be found in Note 9 to the financial statements and additional information on the County’s long-term debt and other liabilities can be found in Notes 11, 12, and 13 to the financial statements.

Budget Variations

The original General Fund budget for the fiscal year end June 30, 2020, reflected anticipated revenues and other financing sources and expenditures and other financing uses of \$30,507,038. The final budget for the fiscal year showed revenues and other financing sources and expenditures and other financing uses of \$32,297,246, while the actual results for fiscal year ending June 30, 2020 indicated revenues and other financing sources of \$33,219,923 and expenditures and other financing uses of \$29,888,943. (pg. 22-23) The overall variance to final budget was \$3,330,980 in excess of revenue over expenditures.

General Fund Budget vs. Actual:	Revenues and Other Financing Sources:	Expenditures and Other Financing Uses:	Change in Fund Balance:
Original Budget	30,507,038	30,507,038	\$0
Final Budget	32,297,246	32,297,246	\$0
Actual Results	33,219,923	29,888,943	3,330,980

The increase over budgeted revenues is related to title ad valorem tax collected on vehicle sales and funds received from the State of Georgia for the signalization at the Mars Hill, Rocky Branch, and Virgil Langford Road intersection and the Mars Hill and Malcom Bridge Road roundabout.

Component Units

Separately issued financial statements for the County's discretely presented component units provide more detailed information about their financial position. These statements can be obtained by contacting these entities:

Oconee County Health Department
1060 Experiment Station Road
Post Office Box 222
Watkinsville, Georgia 30677

Oconee County Tourism & Visitors Bureau
21 North Main Street
Watkinsville, Georgia 30677

Oconee County, Georgia
For the Year Ended June 30, 2020

Table 1
Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Assets						
Current & Other Assets	25.21	28.22	19.37	20.30	44.58	48.52
Capital Assets, Net	99.27	100.35	117.96	116.28	217.23	216.63
Total Assets	124.48	128.57	137.33	136.58	261.81	265.15
Deferred Outflows of Resources						
Deferred Amount on Debt Refunding	0.54	0.85	1.86	1.69	2.40	2.54
Deferred Outflow Related to Pensions	2.92	2.44	0.28	0.26	3.20	2.70
Deferred Outflow Related to OPEB	0.00	2.39	0.00	0.32	0.00	2.71
Total Assets and Deferred Outflows	127.94	134.25	139.47	138.85	267.41	273.10
Liabilities						
Current & Other Liabilities	4.10	2.55	2.26	2.12	6.36	4.67
Long-Term Liabilities						
Due Within One Year	1.48	1.51	2.22	2.43	3.70	3.94
Due in More Than One Year	34.69	35.59	47.80	45.31	82.49	80.90
Total Liabilities	40.27	39.65	52.28	49.86	92.55	89.51
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	0.32	1.24	0.03	0.17	0.35	1.41
Deferred Inflow Related to OPEB	0.00	0.19	0.00	0.02	0.00	0.21
Total Liabilities and Deferred Inflows	40.59	41.08	52.31	50.05	92.90	91.13
Net Position						
Net Investment in Capital Assets	87.72	88.71	76.76	76.73	164.48	165.44
Restricted						
Judicial	0.46	0.54	0.00	0.00	0.46	0.54
Public Safety	0.26	0.28	0.00	0.00	0.26	0.28
Public Works	0.00	0.68	2.74	0.00	2.74	0.68
Culture and Recreation	0.00	0.02	0.00	0.00	0.00	0.02
Housing and Development	0.00	0.12	0.00	0.00	0.00	0.12
Other Purposes	0.15	0.00	0.00	0.00	0.15	0.00
Capital Projects	6.96	7.31	0.00	0.46	6.96	7.77
Debt Service	0.00	0.00	0.00	1.48	0.00	1.48
Unrestricted	(8.20)	(4.49)	7.66	10.13	(0.54)	5.64
Total Net Position	87.35	93.17	87.16	88.80	174.51	181.97

Oconee County, Georgia
For the Year Ended June 30, 2020

Table 2
Changes in Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenue						
Program Revenues:						
Charges for Services	5.73	4.84	11.15	11.60	16.88	16.44
Operating Grants & Contributions	1.11	1.18	0.00	0.00	1.11	1.18
Capital Grants & Contributions	3.91	2.05	0.59	0.39	4.50	2.44
General Revenues:						
Property Taxes	15.28	17.50	0.00	0.00	15.28	17.50
Sales Taxes	15.32	14.32	0.00	0.00	15.32	14.32
Insurance Premium Taxes	1.94	1.95	0.00	0.00	1.94	1.95
Intangible Taxes	0.61	0.74	0.00	0.00	0.61	0.74
Other	0.53	1.20	0.00	0.00	0.53	1.20
Interest and Investment Earnings	0.22	0.13	0.18	0.12	0.40	0.25
Gain on Disposal of Capital Asset	0.02	0.10	0.00	0.00	0.02	0.10
Rental Revenue	0.00	0.00	0.00	0.07	0.00	0.07
Other	0.00	0.27	0.00	0.07	0.00	0.34
Total Revenues	44.67	44.28	11.92	12.25	56.59	56.53
Program Expenses						
General Government	6.90	7.55	0.00	0.00	6.90	7.55
Judicial	2.77	2.80	0.00	0.00	2.77	2.80
Public Safety	12.09	12.24	0.00	0.00	12.09	12.24
Public Works	10.13	7.26	0.00	0.00	10.13	7.26
Health & Welfare	1.02	0.99	0.00	0.00	1.02	0.99
Culture & Recreation	4.39	4.26	0.00	0.00	4.39	4.26
Housing & Development	1.56	1.59	0.00	0.00	1.56	1.59
Interest & Fiscal Charges	0.72	0.60	0.00	0.00	0.72	0.60
Water & Sewer	0.00	0.00	12.18	10.67	12.18	10.67
Solid Waste	0.00	0.00	0.54	0.61	0.54	0.61
Special Facilities	0.00	0.00	0.50	0.50	0.50	0.50
Total Expenses	39.58	37.29	13.22	11.78	52.80	49.07
Excess (Deficiency) Before						
Transfers & Contributions	5.09	6.99	(1.30)	0.47	3.79	7.46
Total Transfers	(3.19)	(1.17)	3.19	1.17	0.00	0.00
Changes in Net Position	1.90	5.82	1.89	1.64	3.79	7.46
Net Position, Beginning	85.45	87.35	85.27	87.16	170.72	174.51
Net Position, Ending	87.35	93.17	87.16	88.80	174.51	181.97

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BASIC FINANCIAL STATEMENTS

OCONEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 25,068,953	\$ 6,373,010	\$ 31,441,963	\$ 882,864
Certificates of deposit	700,672	0	700,672	0
Receivables (net)				
Accounts	171,718	1,246,197	1,417,915	28,879
Intergovernmental	595,555	121,998	717,553	18,954
Taxes	1,418,233	0	1,418,233	0
Prepaid items	211,662	14,827	226,489	900
Inventories	0	0	0	2,664
Restricted cash and cash equivalents	90,865	3,551,231	3,642,096	0
Internal balances	(31,851)	31,851	0	0
Total current assets	<u>28,225,807</u>	<u>11,339,114</u>	<u>39,564,921</u>	<u>934,261</u>
Noncurrent assets				
Investment - UOBWA (net)	0	8,965,792	8,965,792	0
Non-depreciable capital assets	27,217,070	18,209,058	45,426,128	0
Depreciable capital assets (net)	73,130,145	98,074,325	171,204,470	53,502
Total noncurrent assets	<u>100,347,215</u>	<u>125,249,175</u>	<u>225,596,390</u>	<u>53,502</u>
Total assets	<u>128,573,022</u>	<u>136,588,289</u>	<u>265,161,311</u>	<u>987,763</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	844,331	1,688,647	2,532,978	0
Deferred outflows of resources - pension	2,443,822	258,058	2,701,880	150,532
Deferred outflows of resources - OPEB	2,393,057	320,857	2,713,914	78,548
Total deferred outflows of resources	<u>5,681,210</u>	<u>2,267,562</u>	<u>7,948,772</u>	<u>229,080</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,622,220	415,810	2,038,030	76,312
Retainage	104,488	12,375	116,863	0
Interest	31,680	0	31,680	0
Accrued salaries and payroll liabilities	680,729	73,790	754,519	0
Unearned revenue	25,000	0	25,000	0
Compensated absences	692,087	116,638	808,725	2,041
Capital leases payable	56,424	0	56,424	0
Installment sale agreements payable	63,870	0	63,870	0
Contracts payable	0	1,044,064	1,044,064	0
Bonds payable	695,000	0	695,000	0
Liabilities payable from restricted assets				
Interest payable	0	632,320	632,320	0
Customer deposits	89,987	980,840	1,070,827	0
Bonds payable	0	1,270,000	1,270,000	0
Total current liabilities	<u>4,061,485</u>	<u>4,545,837</u>	<u>8,607,322</u>	<u>78,353</u>

OCONEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 122,133	\$ 20,583	\$ 142,716	\$ 64,304
Net pension liability	8,298,827	862,972	9,161,799	618,732
Net OPEB liability	8,263,112	1,007,129	9,270,241	131,844
Capital leases payable	104,616	0	104,616	0
Installment sale agreements payable	73,800	0	73,800	0
Contracts payable	0	21,259,422	21,259,422	0
Notes payable	0	4,848,387	4,848,387	0
Bonds payable	18,735,000	17,312,828	36,047,828	0
Total noncurrent liabilities	35,597,488	45,311,321	80,908,809	814,880
Total liabilities	39,658,973	49,857,158	89,516,131	893,233
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	1,236,582	171,221	1,407,803	29,251
Deferred inflows of resources - OPEB	189,531	25,412	214,943	237,394
Total deferred inflows of resources	1,426,113	196,633	1,622,746	266,645
NET POSITION				
Net investment in capital assets	88,711,220	76,730,566	165,441,786	53,502
Restricted for:				
Judicial	543,584	0	543,584	0
Public Safety	282,864	0	282,864	0
Public Works	684,202	0	684,202	0
Culture and Recreation	18,463	0	18,463	0
Housing and Development	118,696	0	118,696	0
Capital outlay	7,305,072	464,016	7,769,088	0
Debt service	0	1,474,055	1,474,055	0
Unrestricted	(4,494,955)	10,133,423	5,638,468	3,463
Total net position	\$ 93,169,146	\$ 88,802,060	\$ 181,971,206	\$ 56,965

OCONEE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 7,550,369	\$ 1,325,664	\$ 40,962	\$ 21,878	\$ (6,161,865)
Judicial	2,802,017	475,421	652,047	0	(1,674,549)
Public Safety	12,245,354	1,542,108	158,043	215	(10,544,988)
Public Works	7,260,468	461,707	0	1,260,876	(5,537,885)
Health and Welfare	987,293	0	267,884	0	(719,409)
Culture and Recreation	4,256,262	962,151	50,010	0	(3,244,101)
Housing and Development	1,593,168	76,157	10,000	769,535	(737,476)
Interest on long-term debt	602,377	0	0	0	(602,377)
Total governmental activities	37,297,308	4,843,208	1,178,946	2,052,504	(29,222,650)
Business-type activities					
Water and Sewer	10,668,129	11,258,532	0	390,449	980,852
Solid Waste	607,242	280,275	3,315	0	(323,652)
Special Facilities	497,525	55,549	0	0	(441,976)
Total business-type activities	11,772,896	11,594,356	3,315	390,449	215,224
Total primary government	49,070,204	16,437,564	1,182,261	2,442,953	(29,007,426)
Component Units					
Oconee County Board of Health					
Health and Welfare	1,082,849	592,225	531,657	0	41,033
Oconee County Tourism & Visitors Bureau					
Housing and Development	70,535	1,874	74,351	0	5,690
Total component units	1,153,384	594,099	606,008	0	46,723
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Units	
Change in net position					
Net (expense) revenue	\$ (29,222,650)	\$ 215,224	\$ (29,007,426)	\$ 46,723	
General revenues					
Taxes					
Property	17,503,107	0	17,503,107	0	
Sales	14,322,873	0	14,322,873	0	
Insurance premium	1,949,925	0	1,949,925	0	
Intangible	739,737	0	739,737	0	
Other	1,203,423	0	1,203,423	0	
Interest and investment earnings	126,955	115,518	242,473	1,189	
Gain on sale of capital assets	98,021	0	98,021	0	
Rental revenue	0	65,878	65,878	0	
Other	272,249	67,648	339,897	8,484	
Transfers	(1,176,121)	1,176,121	0	0	
Total general revenues and transfers	35,040,169	1,425,165	36,465,334	9,673	
Change in net position	5,817,519	1,640,389	7,457,908	56,396	
Net position - beginning	87,351,627	87,161,671	174,513,298	569	
Net position - ending	\$ 93,169,146	\$ 88,802,060	\$ 181,971,206	\$ 56,965	

OCONEE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	SPLOST 2015	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	\$ 15,874,149	\$ 6,636,129	\$ 2,558,675	\$ 25,068,953
Certificates of deposit	0	0	700,672	700,672
Receivables (net)				
Accounts	137,501	513	33,704	171,718
Intergovernmental	156,415	0	439,140	595,555
Taxes	787,558	628,451	2,224	1,418,233
Due from other funds	213,042	0	410,410	623,452
Prepaid items	202,668	19,088	8,994	230,750
Restricted cash and cash equivalents	89,987	878	0	90,865
Total assets	\$ 17,461,320	\$ 7,285,059	\$ 4,153,819	\$ 28,900,198
LIABILITIES AND FUND BALANCES				
Liabilities				
Payables				
Accounts	\$ 895,735	\$ 483,090	\$ 243,395	\$ 1,622,220
Retainage	50,577	53,911	0	104,488
Customer deposits	89,987	0	0	89,987
Accrued salaries and payroll liabilities	610,310	0	70,419	680,729
Unearned revenue	0	0	25,000	25,000
Due to other funds	369,885	111,375	174,043	655,303
Total liabilities	2,016,494	648,376	512,857	3,177,727
Deferred inflows of resources				
Unavailable property taxes	164,373	0	916	165,289
Unavailable grant reimbursements	0	0	21,000	21,000
Total deferred inflows of resources	164,373	0	21,916	186,289
Fund balances				
Nonspendable prepaid items	202,668	19,088	8,994	230,750
Restricted for:				
Judicial	0	0	543,584	543,584
Public Safety	0	0	282,864	282,864
Public Works	683,394	0	808	684,202
Culture and Recreation	0	0	18,463	18,463
Housing and Development	0	0	118,696	118,696
Capital outlay	0	6,617,595	688,355	7,305,950
Committed for Public Works	1,035,939	0	0	1,035,939
Assigned to:				
Health and Welfare	0	0	304,333	304,333
Housing and Development	0	0	1,680,405	1,680,405
Unassigned	13,358,452	0	(27,456)	13,330,996
Total fund balances	15,280,453	6,636,683	3,619,046	25,536,182
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,461,320	\$ 7,285,059	\$ 4,153,819	\$ 28,900,198

OCONEE COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2020

Total fund balance - total governmental funds \$ 25,536,182

Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and, therefore, are not reported in the funds. These are:

Capital assets, net of accumulated depreciation 100,347,215

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. 186,289

Deferred outflows and inflows of resources related to pensions, OPEB, and debt refundings are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred charges on refunding	\$ 844,331	
Deferred outflows of resources - pension	2,443,822	
Deferred outflows of resources - OPEB	2,393,057	
Deferred inflows of resources - pension	(1,236,582)	
Deferred inflows of resources - OPEB	<u>(189,531)</u>	4,255,097

Prepaid interest is reported in the governmental funds. On the statement of net position, the prepaid interest is netted against accrued interest. (19,088)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Compensated absences	(814,220)	
Net pension liability	(8,298,827)	
Net OPEB liability	(8,263,112)	
Interest payable	(31,680)	
Capital leases payable	(161,040)	
Installment sale agreements payable	(137,670)	
Bonds payable	<u>(19,430,000)</u>	<u>(37,136,549)</u>

Net position of governmental activities \$ 93,169,146

OCONEE COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	<u>General</u>	<u>SPLOST 2015</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 27,747,203	\$ 7,596,863	\$ 318,243	\$ 35,662,309
Licenses and permits	746,876	0	0	746,876
Intergovernmental	1,365,252	0	879,174	2,244,426
Charges for services	2,579,725	0	932,067	3,511,792
Fines, fees and forfeitures	505,697	0	86,234	591,931
Interest	116,182	4,585	32,867	153,634
Contributions	4,052	0	184,659	188,711
Other	138,089	0	134,160	272,249
Total revenues	<u>33,203,076</u>	<u>7,601,448</u>	<u>2,567,404</u>	<u>43,371,928</u>
EXPENDITURES				
Current				
General Government	5,352,807	0	5,800	5,358,607
Judicial	2,002,638	0	728,018	2,730,656
Public Safety	8,832,246	0	1,858,731	10,690,977
Public Works	4,995,208	0	208,802	5,204,010
Health and Welfare	326,622	0	632,625	959,247
Culture and Recreation	3,354,909	0	38,712	3,393,621
Housing and Development	1,161,406	0	162,548	1,323,954
Capital Outlay	0	1,931,310	3,465,652	5,396,962
Intergovernmental	0	1,064,321	0	1,064,321
Debt Service	1,293,577	919,125	219,433	2,432,135
Total expenditures	<u>27,319,413</u>	<u>3,914,756</u>	<u>7,320,321</u>	<u>38,554,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,883,663</u>	<u>3,686,692</u>	<u>(4,752,917)</u>	<u>4,817,438</u>
Other financing sources (uses)				
Transfers in	15,447	0	1,961,225	1,976,672
Transfers out	(2,569,530)	(555,816)	(27,447)	(3,152,793)
Sale of capital assets	1,400	0	347,052	348,452
Proceeds of refunding bonds	0	8,210,000	7,790,000	16,000,000
Payments to refunded bond escrow agent	0	(8,048,082)	(7,637,165)	(15,685,247)
Total other financing sources (uses)	<u>(2,552,683)</u>	<u>(393,898)</u>	<u>2,433,665</u>	<u>(512,916)</u>
Net change in fund balances	3,330,980	3,292,794	(2,319,252)	4,304,522
Fund balances, July 1	<u>11,949,473</u>	<u>3,343,889</u>	<u>5,938,298</u>	<u>21,231,660</u>
Fund balances, June 30	<u>\$ 15,280,453</u>	<u>\$ 6,636,683</u>	<u>\$ 3,619,046</u>	<u>\$ 25,536,182</u>

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, 2020

Net change in fund balances - total governmental funds \$ 4,304,522

Amounts reported for governmental activities in the statement of activities are 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.

Capital outlays	\$ 6,956,094	
Depreciation	<u>(6,394,993)</u>	561,101

In the statement of activities, the gain or loss on the sale or disposal of assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources.

Cost of assets disposed	(360,764)	
Related accumulated depreciation	<u>110,333</u>	(250,431)

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets contributed from individuals	769,535	
Related accumulated depreciation	<u>0</u>	769,535

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. 58,854

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	1,837,504	
Cost of benefits earned, net of employee contributions	<u>(2,019,521)</u>	(182,017)

Governmental funds report OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.

OPEB contributions	158,513	
Cost of benefits earned, net of employee contributions	<u>(761,647)</u>	(603,134)

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt proceeds	(16,000,000)	
Debt principal payments	16,432,786	
Amortization of bond premiums	275,648	
Amortization of bond discounts	(7,919)	
Net change in deferred charges on refunding	300,005	
Net change in interest payable	<u>200,611</u>	1,201,131

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net change in compensated absences		<u>(42,042)</u>
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Change in net position of governmental activities		<u>\$ 5,817,519</u>
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OCONEE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Taxes	\$ 25,600,714	\$ 26,743,429	\$ 27,747,203	\$ 1,003,774
Licenses and permits	773,050	773,050	746,876	(26,174)
Intergovernmental	712,737	1,360,230	1,365,252	5,022
Charges for services	2,781,570	2,781,570	2,579,725	(201,845)
Fines, fees and forfeitures	463,900	463,900	505,697	41,797
Interest	95,000	95,000	116,182	21,182
Contributions	0	0	4,052	4,052
Other	61,067	61,067	138,089	77,022
Total revenues	30,488,038	32,278,246	33,203,076	924,830
EXPENDITURES				
Current				
General Government				
Commission	696,010	696,010	618,355	77,655
Administration	536,912	596,381	566,216	30,165
Human resources	464,682	464,682	367,182	97,500
Finance	743,313	743,313	662,370	80,943
Board of elections	276,118	342,306	334,853	7,453
Information technology	698,095	698,095	602,830	95,265
Tax commissioner	533,912	558,569	552,944	5,625
Tax assessor	708,635	712,326	696,617	15,709
Operations	1,057,127	1,057,127	943,279	113,848
Board of equalization	10,000	10,000	8,161	1,839
Judicial				
Superior court	514,573	514,573	425,977	88,596
Clerk of courts	875,010	875,010	774,132	100,878
District attorney	28,930	28,930	25,226	3,704
Magistrate court	89,249	89,249	82,445	6,804
Probate court	551,191	573,223	564,944	8,279
Juvenile court	121,560	136,699	129,914	6,785
Grand jury	400	400	0	400
Public Safety				
Law enforcement	4,090,288	4,221,660	4,081,376	140,284
Jail	3,002,365	3,133,551	3,083,181	50,370
Public safety	1,606,932	1,708,056	1,630,107	77,949
Coroner	36,225	38,520	37,582	938
Public Works				
Public works	3,805,284	4,739,381	4,456,967	282,414
County facilities	489,442	554,270	538,241	16,029
Health and Welfare				
Joint governmental				
programs - health and welfare	319,189	326,733	326,622	111
Culture and Recreation				
Parks and recreation	3,316,652	3,409,871	2,815,507	594,364
Joint governmental programs - library	541,182	546,032	539,402	6,630
Housing and Development				
Community development	188,204	194,204	163,758	30,446
Joint governmental				
programs - development	183,892	183,892	158,540	25,352
Code enforcement	895,015	950,263	839,108	111,155

OCONEE COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
EXPENDITURES (continued)				
Debt service				
Public Safety				
Law enforcement	\$ 0	\$ 9,930	\$ 9,930	\$ 0
Jail	53,940	53,940	53,940	0
Housing and Development				
Community development	1,229,737	1,229,737	1,229,707	30
Total expenditures	<u>27,664,064</u>	<u>29,396,933</u>	<u>27,319,413</u>	<u>2,077,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,823,974</u>	<u>2,881,313</u>	<u>5,883,663</u>	<u>3,002,350</u>
Other financing sources (uses)				
Transfers in	19,000	19,000	15,447	(3,553)
Transfers out	(2,842,974)	(2,900,313)	(2,569,530)	330,783
Sale of capital assets	<u>0</u>	<u>0</u>	<u>1,400</u>	<u>1,400</u>
Total other financing sources (uses)	<u>(2,823,974)</u>	<u>(2,881,313)</u>	<u>(2,552,683)</u>	<u>328,630</u>
Net change in fund balance	0	0	3,330,980	3,330,980
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>11,949,473</u>	<u>11,949,473</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,280,453</u>	<u>\$ 15,280,453</u>

OCONEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities			Totals
	Water and Sewer	Solid Waste	Special Facilities	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 6,369,168	\$ 3,842	\$ 0	\$ 6,373,010
Receivables (net)				
Accounts	1,242,918	3,279	0	1,246,197
Intergovernmental	121,988	10	0	121,998
Due from other funds	111,375	0	0	111,375
Prepaid items	11,455	1,083	2,289	14,827
Restricted cash and cash equivalents	3,551,231	0	0	3,551,231
Total current assets	11,408,135	8,214	2,289	11,418,638
Noncurrent assets				
Investment - UOBWA (net)	8,965,792	0	0	8,965,792
Non-depreciable capital assets	17,614,617	125,000	469,441	18,209,058
Depreciable capital assets (net)	96,739,785	35,680	1,298,860	98,074,325
Total noncurrent assets	123,320,194	160,680	1,768,301	125,249,175
Total assets	134,728,329	168,894	1,770,590	136,667,813
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	1,688,647	0	0	1,688,647
Deferred outflows of resources - pension	216,662	0	41,396	258,058
Deferred outflows of resources - OPEB	267,381	0	53,476	320,857
Total deferred outflows of resources	2,172,690	0	94,872	2,267,562
LIABILITIES				
Current liabilities				
Payables				
Accounts	373,971	37,938	3,901	415,810
Retainage	12,375	0	0	12,375
Accrued salaries and payroll liabilities	57,321	6,955	9,514	73,790
Compensated absences	91,635	7,497	17,506	116,638
Due to other funds	79,524	0	0	79,524
Contracts payable	1,044,064	0	0	1,044,064
Liabilities payable from restricted assets				
Interest payable	632,320	0	0	632,320
Customer deposits	980,840	0	0	980,840
Bonds payable	1,270,000	0	0	1,270,000
Total current liabilities	4,542,050	52,390	30,921	4,625,361
Noncurrent liabilities				
Compensated absences	16,171	1,323	3,089	20,583
Net pension liability	606,385	0	256,587	862,972
Net OPEB liability	845,585	0	161,544	1,007,129
Contracts payable	21,259,422	0	0	21,259,422
Notes payable	4,848,387	0	0	4,848,387
Bonds payable	17,312,828	0	0	17,312,828
Total noncurrent liabilities	44,888,778	1,323	421,220	45,311,321
Total liabilities	49,430,828	53,713	452,141	49,936,682

OCONEE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities			Totals
	Water and Sewer	Solid Waste	Special Facilities	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	\$ 150,581	\$ 0	\$ 20,640	\$ 171,221
Deferred inflows of resources - OPEB	21,177	0	4,235	25,412
Total deferred inflows of resources	171,758	0	24,875	196,633
NET POSITION				
Net investment in capital assets	74,801,585	160,680	1,768,301	76,730,566
Restricted for capital outlay	464,016	0	0	464,016
Restricted for debt service	1,474,055	0	0	1,474,055
Unrestricted	10,558,777	(45,499)	(379,855)	10,133,423
Total net position	\$ 87,298,433	\$ 115,181	\$ 1,388,446	\$ 88,802,060

OCONEE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Totals
	Water and Sewer	Solid Waste	Special Facilities	
OPERATING REVENUES				
Charges for sales and services	\$ 11,258,532	\$ 280,275	\$ 55,549	\$ 11,594,356
Rental revenue	0	0	65,878	65,878
Other	67,648	0	0	67,648
Total operating revenues	11,326,180	280,275	121,427	11,727,882
OPERATING EXPENSES				
Costs of sales and services	3,772,893	457,803	92,953	4,323,649
Personal services	1,979,649	147,600	336,779	2,464,028
Depreciation	2,907,403	1,839	67,793	2,977,035
Total operating expenses	8,659,945	607,242	497,525	9,764,712
Operating income (loss)	2,666,235	(326,967)	(376,098)	1,963,170
Non-operating revenues (expenses)				
Interest revenue	115,518	0	0	115,518
Interest expense	(1,779,270)	0	0	(1,779,270)
Intergovernmental revenue	0	3,315	0	3,315
Loss on disposal of assets	(228,914)	0	0	(228,914)
Total non-operating revenues (expenses)	(1,892,666)	3,315	0	(1,889,351)
Net income (loss) before capital contributions and transfers	773,569	(323,652)	(376,098)	73,819
Capital contributions	390,449	0	0	390,449
Net income (loss) before transfers	1,164,018	(323,652)	(376,098)	464,268
Transfers in (out)				
Transfers in	111,375	336,203	728,543	1,176,121
Change in net position	1,275,393	12,551	352,445	1,640,389
Net position, July 1	86,023,040	102,630	1,036,001	87,161,671
Net position, June 30	\$ 87,298,433	\$ 115,181	\$ 1,388,446	\$ 88,802,060

OCONEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Totals
	Water and Sewer	Solid Waste	Special Facilities	
Cash flows from operating activities:				
Receipts from customers	\$ 11,523,602	\$ 277,926	\$ 128,084	\$ 11,929,612
Payments to suppliers	(3,731,278)	(474,556)	(95,944)	(4,301,778)
Payments to employees	(1,882,125)	(143,489)	(322,758)	(2,348,372)
Other receipts	67,648	0	0	67,648
Net cash provided (used) by operating activities	<u>5,977,847</u>	<u>(340,119)</u>	<u>(290,618)</u>	<u>5,347,110</u>
Cash flows from non-capital financing activities:				
Receipts from other funds	0	336,203	284,102	620,305
Payments to other funds	(207,177)	0	0	(207,177)
Receipts from other governments	0	3,305	0	3,305
Net cash provided (used) by non-capital financing activities	<u>(207,177)</u>	<u>339,508</u>	<u>284,102</u>	<u>416,433</u>
Cash flows from capital and related financing activities:				
Receipt of capital contributions	390,449	0	0	390,449
Receipts from other funds	157,923	0	444,441	602,364
Proceeds from sale of capital assets	13,228	0	0	13,228
Payments for acquisitions of capital assets	(966,208)	0	(444,440)	(1,410,648)
Payment of prior year capital related payables	(362,174)	0	0	(362,174)
Interest paid	(1,715,388)	0	0	(1,715,388)
Principal payments - contracts	(1,004,393)	0	0	(1,004,393)
Principal payments - bonds	(1,220,000)	0	0	(1,220,000)
Net cash provided (used) by capital and related financing activities	<u>(4,706,563)</u>	<u>0</u>	<u>1</u>	<u>(4,706,562)</u>
Cash flows from investing activities				
Interest received	115,518	0	0	115,518
Net increase (decrease) in cash and cash equivalents	1,179,625	(611)	(6,515)	1,172,499
Cash and cash equivalents, July 1	<u>8,740,774</u>	<u>4,453</u>	<u>6,515</u>	<u>8,751,742</u>
Cash and cash equivalents, June 30	<u><u>\$ 9,920,399</u></u>	<u><u>\$ 3,842</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,924,241</u></u>

OCONEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Totals
	Water and Sewer	Solid Waste	Special Facilities	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 2,666,235	\$ (326,967)	\$ (376,098)	\$ 1,963,170
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,907,403	1,839	67,793	2,977,035
(Increase) decrease in accounts receivable	253,803	(2,349)	6,657	258,111
(Increase) decrease in intergovernmental receivable	(16,292)	0	0	(16,292)
(Increase) decrease in prepaid items	(40)	20	9	(11)
(Increase) decrease in deferred outflows of resources - pension	19,959	0	8,301	28,260
(Increase) decrease in deferred outflows of resources - OPEB	(267,381)	0	(53,476)	(320,857)
Increase (decrease) in accounts payable	41,655	(16,773)	(3,000)	21,882
Increase (decrease) in customer deposits	27,559	0	0	27,559
Increase (decrease) in accrued payroll liabilities	11,014	4,111	(2,509)	12,616
Increase (decrease) in net pension liability	(127,035)	0	(20,276)	(147,311)
Increase (decrease) in net OPEB liability	313,593	0	62,719	376,312
Increase (decrease) in deferred inflows of resources - pension	126,197	0	15,027	141,224
Increase (decrease) in deferred inflows of resources - OPEB	21,177	0	4,235	25,412
Total adjustments	3,311,612	(13,152)	85,480	3,383,940
Net cash provided (used) by operating activities	<u>\$ 5,977,847</u>	<u>\$ (340,119)</u>	<u>\$ (290,618)</u>	<u>\$ 5,347,110</u>
Cash and cash equivalents reconciliation				
Cash and cash equivalents	\$ 6,369,168	\$ 3,842	\$ 0	\$ 6,373,010
Restricted cash and cash equivalents	3,551,231	0	0	3,551,231
	<u>\$ 9,920,399</u>	<u>\$ 3,842</u>	<u>\$ 0</u>	<u>\$ 9,924,241</u>
Noncash investing, capital, and financing activities:				
Acquisition of capital assets through payables totaled \$129,603.				

Note: A portion of beginning investments has been reclassified to cash and cash equivalents. See the notes to the financial statements for additional details.

OCONEE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 553,880
Taxes receivable, net	<u>472,270</u>
Total assets	<u><u>\$ 1,026,150</u></u>
 LIABILITIES	
Due to others	<u><u>\$ 1,026,150</u></u>

OCONEE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2020

	Oconee County Board of Health	Oconee County Tourism & Visitors Bureau	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 867,958	\$ 14,906	\$ 882,864
Accounts receivable (net)	28,085	794	28,879
Intergovernmental receivable	18,954	0	18,954
Prepaid items	0	900	900
Inventory	0	2,664	2,664
Total current assets	914,997	19,264	934,261
Noncurrent assets			
Depreciable capital assets (net)	53,502	0	53,502
Total assets	968,499	19,264	987,763
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	150,532	0	150,532
Deferred outflows of resources - OPEB	78,548	0	78,548
Total deferred outflows of resources	229,080	0	229,080
LIABILITIES			
Current liabilities			
Accounts payable	71,222	5,090	76,312
Compensated absences	2,041	0	2,041
Total current liabilities	73,263	5,090	78,353
Noncurrent liabilities			
Compensated absences	64,304	0	64,304
Net pension liability	618,732	0	618,732
Net OPEB liability	131,844	0	131,844
Total noncurrent liabilities	814,880	0	814,880
Total liabilities	888,143	5,090	893,233
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	29,251	0	29,251
Deferred inflows of resources - OPEB	237,394	0	237,394
Total deferred inflows of resources	266,645	0	266,645
NET POSITION			
Investment in capital assets	53,502	0	53,502
Unrestricted	(10,711)	14,174	3,463
Total net position	\$ 42,791	\$ 14,174	\$ 56,965

OCONEE COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2020

	Oconee County Board of Health	Oconee County Tourism & Visitors Bureau	Totals
Expenses			
Health and Welfare	\$ 1,082,849	\$ 0	\$ 1,082,849
Housing and Development	0	70,535	70,535
Total expenses	<u>1,082,849</u>	<u>70,535</u>	<u>1,153,384</u>
Program revenues			
Charges for services	592,225	1,874	594,099
Operating grants and contributions	531,657	74,351	606,008
Total program revenues	<u>1,123,882</u>	<u>76,225</u>	<u>1,200,107</u>
Net (expense) revenue	<u>41,033</u>	<u>5,690</u>	<u>46,723</u>
General revenues			
Interest	1,189	0	1,189
Miscellaneous	0	8,484	8,484
Total general revenues	<u>1,189</u>	<u>8,484</u>	<u>9,673</u>
Change in net position	42,222	14,174	56,396
Net position - beginning	569	0	569
Net position - ending	<u><u>\$ 42,791</u></u>	<u><u>\$ 14,174</u></u>	<u><u>\$ 56,965</u></u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. Description of Government Unit

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 County provides a full range of governmental services, including public safety, health and welfare services, recreational programs, public works, water and sewer services, and solid waste services.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Oconee County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements of component units have been included either as blended or discretely presented component units.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Oconee County Industrial Development Authority – The financial operations of the Oconee County Industrial Development Authority (OCIDA) are presented in its stand-alone statements as governmental activities. The five voting members of the OCIDA include the Chairman of the Board of Commissioners, the President of the Oconee County Chamber of Commerce, the Mayor of the City of Watkinsville, and two at-large members appointed by the County Board of Commissioners. Substantially all of the financial operations of the Authority are subject to the prior approval of the Board of Commissioners. The OCIDA issued bonds which are payable only from payments by Oconee County pursuant to an intergovernmental agreement. Because substantially all of the debt of the OCIDA will be paid by resources of the County, the OCIDA is reported as a blended component unit. Separate financial statements are not issued.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government

Oconee County Board of Health – The Oconee County Board of Health was created by state legislative act in 1964 to provide various health and related programs such as immunization, family planning, and nutrition services. It operates under an Executive Officer and a seven member board comprised of the following: the Chairman of the Board of Commissioners, the Oconee County School Superintendent, and the Mayor of the City of Watkinsville, three at-large members appointed by the County, and one at-large member appointed by the City of Watkinsville. Because the County appoints a majority of the board members and provides funding, the Board of Health is reported as a discretely presented component unit of the County. Complete financial statements can be obtained from the Oconee County Board of Health, 160 Experiment Station Road, Watkinsville, Georgia 30677.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Oconee County Tourism & Visitors Bureau – The Oconee County Tourism & Visitors Bureau was established as a legally separate entity and operates pursuant to Section 501(c)(6) of the Internal Revenue Code. The Bureau was formed and organized to promote, solicit, and market the area's facilities, attractions, special events, and other appropriate businesses to encourage economic development through the attractions of visitors to Oconee County; and advocate for and assist with collaboration and cooperation between businesses and industries servicing visitors, conventions, and tourism in general. Oconee County appoints all seven members of the Bureau's board of directors. Because the County appoints a majority of the board members and provides funding, the Bureau is reported as a discretely presented component unit of the County. Complete financial statements can be obtained from the Oconee County Tourism & Visitors Bureau, 21 North Main Street, Watkinsville, Georgia 30677.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund - The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

SPLOST 2015 Capital Projects Fund – This fund is used to account for all special purpose local option sales tax revenues collected as a result of the County's 2015 SPLOST referendum, as well as specifically identified projects for which the SPLOST was established.

The County reports the following major proprietary funds:

Water and Sewer Enterprise Fund – This fund is used to account for the operation, maintenance, and development of the County's water and sewer system.

Solid Waste Enterprise Fund – This fund is used to account for the operation and maintenance of the County's landfill disposal sites and recycling.

Special Facilities Enterprise Fund – This fund is used to account 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
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds – This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Agency Funds – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in the governmental and business type activities and enterprise fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Solid Waste and Waste-Water Facility Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds 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 non-operating revenues and expenses.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to the May Board of Commissioners' meeting, department heads must submit their requests for budgets for the coming fiscal 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 Board of Commissioners' meeting.
4. The final budget is approved at the June Board of 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.
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 financial statements. 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.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair market value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical costs nor related depreciation had historically been reported in the financial statements. The County has previously implemented the requirements for retroactive reporting of major general infrastructure assets acquired in 1981 forward. The County elected not to report general infrastructure assets placed into service prior to July 1, 1980.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets, continued

Property, plant, and equipment with initial, individual costs that equal or exceed \$10,000 are recorded as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Land	N/A
Infrastructure	15-50
Water and sewer distribution system	20-50
Buildings and improvements	10-50
Equipment, furniture and vehicles	4-20

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources for deferred charges on refundings and their defined benefit pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources, continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grant reimbursements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension and OPEB plans.

M. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

N. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

O. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

P. Fund Balances – Governmental Funds

Oconee County implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at the end of the current fiscal year by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority. The Board of Commissioners (the County's highest level of authority) has authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution. The passage of the resolution must take place prior to the end of the applicable fiscal year. If the actual amount of the commitment is not available by the end of the fiscal year, the resolution, must state the process or formula to calculate the actual amount as soon as information is available. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that are intended to be used by the County for a specific purpose. Intent can only be expressed by the Board of Commissioners or their designee. An assignment of fund balance requires the majority vote of the Board. Through board action, the Board of Commissioners has authorized the Finance Director to assign fund balances.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report this category of fund balance.

When an expenditure is incurred for the purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Q. Compensation for Future Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from County service. Accumulated unpaid vacation pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

R. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as prepaid bond insurance premiums, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

S. Pension and OPEB Plans

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows/inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

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 has no formal policy on the amount the County may invest in any one issuer.

Foreign currency risk

The County has no investments denominated in a foreign currency.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices. Investments are reported at fair value.

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA §36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. Deposit and Investment Risk (continued)

The pool's 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. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AA Af by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 38 days. At the end of the current fiscal year, the County's balance in Georgia Fund 1 was \$14,881,392.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:		
General Fund		\$ 137,501
SPLOST 2015 Capital Projects Fund		513
Water and Sewer Enterprise Fund	\$ 1,299,358	
Less: Allowance for Uncollectibles	<u>(56,440)</u>	1,242,918
Solid Waste Enterprise Fund		3,279
Nonmajor Governmental Funds		<u>33,704</u>
Total primary government		<u><u>\$ 1,417,915</u></u>
Component Units:		
Oconee County Board of Health		\$ 28,085
Oconee County Tourism & Visitors Bureau		<u>794</u>
Total component units		<u><u>\$ 28,879</u></u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:	
General Fund	\$ 156,415
Water and Sewer Enterprise Fund	121,988
Solid Waste Enterprise Fund	10
Nonmajor Governmental Funds	<u>439,140</u>
Total primary government	<u>\$ 717,553</u>
Component Units:	
Oconee County Board of Health	<u>\$ 18,954</u>

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2019, based upon the assessments of January 1, 2019, were levied on August 27, 2019, billed on September 18, 2019, and due on November 20, 2019. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables at the end of the current fiscal year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewer	\$ 79,524
	Nonmajor Governmental	133,518
Water and Sewer	SPLOST 2015	111,375
Nonmajor Governmental	General	369,885
	Nonmajor Governmental	<u>40,525</u>
		<u>\$ 734,827</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. Interfund Receivables and Payables (continued)

The balances reported as Due to/Due from represent loans between funds. These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Transfers

A summary of interfund transfers for the current fiscal year is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 1,949,225
	Solid Waste	336,203
	Special Facilities	284,102
SPLOST 2015	Water and Sewer	111,375
	Special Facilities	444,441
Nonmajor Governmental	General	15,447
	Nonmajor Governmental	<u>12,000</u>
		<u><u>\$ 3,152,793</u></u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 23,351,592	\$ 0	\$ (250,431)	\$ 23,101,161
Construction in progress	1,096,357	6,031,084	(5,489,247)	1,638,194
Intangibles	1,973,275	504,440	0	2,477,715
Total non-depreciable assets	<u>26,421,224</u>	<u>6,535,524</u>	<u>(5,739,678)</u>	<u>27,217,070</u>
Depreciable assets				
Infrastructure	121,692,962	2,913,681	0	124,606,643
Buildings and improvements	51,705,464	2,700,161	0	54,405,625
Equipment, furniture and vehicles	19,448,699	1,065,510	(110,333)	20,403,876
Total depreciable assets	<u>192,847,125</u>	<u>6,679,352</u>	<u>(110,333)</u>	<u>199,416,144</u>
Less accumulated depreciation				
Infrastructure	(86,312,546)	(3,565,058)	0	(89,877,604)
Buildings and improvements	(18,585,080)	(1,722,675)	0	(20,307,755)
Equipment, furniture and vehicles	(15,103,713)	(1,107,260)	110,333	(16,100,640)
Total accumulated depreciation	<u>(120,001,339)</u>	<u>(6,394,993)</u>	<u>110,333</u>	<u>(126,285,999)</u>
Total depreciable assets, net	<u>72,845,786</u>	<u>284,359</u>	<u>0</u>	<u>73,130,145</u>
Governmental activities capital assets, net	<u>\$ 99,267,010</u>	<u>\$ 6,819,883</u>	<u>\$ (5,739,678)</u>	<u>\$ 100,347,215</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 14,558,521	\$ 0	\$ 0	\$ 14,558,521
Construction in progress	4,692,399	749,310	(1,998,783)	3,442,926
Intangibles	58,296	149,315	0	207,611
Total non-depreciable assets	<u>19,309,216</u>	<u>898,625</u>	<u>(1,998,783)</u>	<u>18,209,058</u>
Depreciable assets				
Treatment and distribution system	127,947,825	2,325,712	(335,458)	129,938,079
Land improvements	44,866	0	0	44,866
Buildings and improvements	3,174,553	0	0	3,174,553
Equipment, furniture and vehicles	1,725,734	314,697	(378,965)	1,661,466
Total depreciable assets	<u>132,892,978</u>	<u>2,640,409</u>	<u>(714,423)</u>	<u>134,818,964</u>
Less accumulated depreciation				
Treatment and distribution system	(31,124,277)	(2,764,142)	106,727	(33,781,692)
Land improvements	(36,512)	(766)	0	(37,278)
Buildings and improvements	(1,668,160)	(73,179)	0	(1,741,339)
Equipment, furniture and vehicles	(1,410,936)	(138,948)	365,554	(1,184,330)
Total accumulated depreciation	<u>(34,239,885)</u>	<u>(2,977,035)</u>	<u>472,281</u>	<u>(36,744,639)</u>
Total depreciable assets, net	<u>98,653,093</u>	<u>(336,626)</u>	<u>(242,142)</u>	<u>98,074,325</u>
Business-type activities capital assets, net	<u>\$ 117,962,309</u>	<u>\$ 561,999</u>	<u>\$ (2,240,925)</u>	<u>\$ 116,283,383</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Oconee County Board of Health				
Depreciable assets				
Office and Medical Equipment	\$ 129,520	\$ 0	\$ 0	\$ 129,520
Less accumulated depreciation				
Office and Medical Equipment	(60,568)	(15,450)	0	(76,018)
Oconee County Board of Health capital assets, net	<u>\$ 68,952</u>	<u>\$ (15,450)</u>	<u>\$ 0</u>	<u>\$ 53,502</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government:

Governmental activities

General Government	\$ 582,112
Judicial	16,992
Public Safety	1,186,771
Public Works	3,551,478
Health and Welfare	6,635
Culture and Recreation	809,975
Housing and Development	241,030
	<u>6,394,993</u>
Total depreciation expense for governmental activities	<u>6,394,993</u>

Business-type activities

Water and Sewer	2,907,403
Solid Waste	1,839
Special Facilities	67,793
	<u>2,977,035</u>
Total depreciation expense for business-type activities	<u>2,977,035</u>

Total depreciation expense for primary government \$ 9,372,028

Component units:

Oconee County Board of Health	<u>\$ 15,450</u>
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OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

10. Capital Lease Agreements

The County has entered into lease agreements to finance the acquisition of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The leases bear interest at 4.304% and 3.96% and require monthly payments through December 2020 and June 2023. The total principal balance of the leases at the end of the current fiscal year is \$161,040 for governmental activities. At the end of the current fiscal year, the County had \$301,270 of equipment, with associated accumulated depreciation of \$146,793, financed under the capital leases. Current fiscal year depreciation expense on the leased assets totaled \$60,254.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments at the end of the current fiscal year:

Fiscal Year Ending June 30,	Activities
2021	\$ 61,740
2022	56,769
2023	52,039
	170,548
Less amounts representing interest	(9,508)
Present value of minimum lease payments	\$ 161,040

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt

Governmental Activities

Installment Sale Agreements from Direct Borrowings

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

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

The annual requirements to amortize installment sale agreements from direct borrowings at the end of the current fiscal year are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 63,870	\$ 0	\$ 63,870
2022	63,870	0	63,870
2023	9,930	0	9,930
Totals	<u>\$ 137,670</u>	<u>\$ 0</u>	<u>\$ 137,670</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt

Governmental Activities, continued

General Obligation Bonds

General obligation bonds have been issued for governmental activities to pay, or to be applied or contributed toward, the cost of constructing, improving, expanding and extending public roads, highways, streets and related facilities as well as the construction, improvement and expansion of various municipal buildings.

General obligation bonds of the governmental activities are comprised of the following individual issue:

- The County issued \$10,095,000 Series 2011 Oconee County, Georgia General Obligation Refunding Bonds with a premium of \$428,785. The bonds were issued to advance refund \$9,805,000 of the Series 2003 Oconee County, Georgia General Obligation Bonds, whose proceeds were used to fund the creation of a new park. The bonds are due in annual principal payments on January 1 beginning in 2016 with semi-annual interest payments (1.50% to 5.50%) due on January 1 and July 1. The bond principal and interest payments are payable first from a one percent sales and use tax (SPLOST) received by the County. To the extent the proceeds from the sales and use tax are insufficient to make such payments, the principal and interest on the bonds are payable from an ad valorem tax, unlimited as to rate or amount, which may be levied upon all taxable property within the territorial limits of the County subject to taxation for general obligation bond purposes. The remaining balance of the bonds was refunded with the issuance of the Series 2020 Oconee County, Georgia General Obligation Bonds.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Governmental Activities, continued

Revenue Bonds

Revenue bonds have been issued for the Oconee County Industrial Development Authority and are comprised of the following individual issue:

- The Oconee County Industrial Development Authority issued \$10,380,000 Series 2012 Revenue Bonds, with a discount of \$11,879. The bonds were issued to provide incentives for a large private employer to locate a factory within the County. The bonds are due in annual principal payments on March 1 beginning in 2015 with semi-annual interest payments (2.00% to 3.70%) due on March 1 and September 1. The bond principal and interest payments are payable through the proceeds of intergovernmental contracts which call for the County to make all of the required debt service payments. 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. A portion of the bonds was refunded with the issuance of the Oconee County Industrial Development Authority Taxable Revenue Refunding Bond, Series 2020. The remaining balance at the end of the current fiscal year was \$475,000.

The annual requirements to amortize Oconee County Industrial Development Authority revenue bonds at the end of the current fiscal year are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 0	\$ 10,688	\$ 10,688
2022	475,000	10,688	485,688
Totals	\$ 475,000	\$ 21,376	\$ 496,376

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Governmental Activities, continued

Bonds from Direct Placements

Bonds from direct placements have been issued and are comprised of the following individual issues:

- The County issued \$8,210,000 Series 2020 Oconee County, Georgia General Obligation Taxable Refunding Bond, with issue costs of \$161,918, for net proceeds to the County of \$8,048,082. The bond was issued to provide funds to advance refund \$7,640,000 of the Series 2011 Oconee County, Georgia General Obligation Refunding Bonds. The bond is due in annual principal payments on January 1 beginning in 2021 with semi-annual interest payments (1.395%) due on January 1 and July 1. The bond principal and interest payments are payable first from a one percent sales and use tax (SPLOST) received by the County. To the extent the proceeds from the sales and use tax are insufficient to make such payments, the principal and interest on the bonds are payable from an ad valorem tax, unlimited as to rate or amount, which may be levied upon all taxable property within the territorial limits of the County subject to taxation for general obligation bond purposes. The remaining balance at the end of the current fiscal year was \$8,210,000.

- The Oconee County Industrial Development Authority issued \$4,285,000 Series 2016 Taxable Revenue Refunding Bond. The bond was issued to provide funds to finance the acquisition, construction, reconstruction, improvement, betterment, or extension of certain economic development road projects to be sold to the County upon completion. The bond is due in annual principal payments on November 1 beginning in 2017 with semi-annual interest payments (2.38%) due on May 1 and November 1. The bond principal and interest payments are payable through the proceeds of an intergovernmental contract which calls for the County to make all of the required debt service payments. 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. Upon the occurrence of an event of default, the bondholder may declare the payments to be made to be immediately due and payable. The remaining balance at the end of the current fiscal year was \$2,955,000.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Governmental Activities, continued

Bonds from Direct Placements

- The Oconee County Industrial Development Authority issued \$7,790,000 Series 2020 Taxable Revenue Refunding Bond. The bond was issued to provide funds to refund the Oconee County Industrial Development Authority Revenue Bonds, Series 2012, maturing in the years 2021 and 2023 through 2034. The bond is due in annual principal payments on March 1 beginning in 2022 with semi-annual interest payments (1.25%) due on March 1 and September 1. The bond principal and interest payments are payable through the proceeds of an intergovernmental contract which calls for the County to make all of the required debt service payments. 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. Upon the occurrence of an event of default, the bondholder may pursue any available remedy provided by the contract, as well as any available remedy at law or in equity to enforce the payment of the principal installments of and interest on the bond. The remaining balance at the end of the current fiscal year was \$7,790,000.

The annual requirements to amortize bonds from direct placements at the end of the current fiscal year are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 695,000	\$ 222,633	\$ 917,633
2022	1,030,000	262,594	1,292,594
2023	1,655,000	243,479	1,898,479
2024	1,755,000	216,322	1,971,322
2025	1,785,000	187,559	1,972,559
2026-2030	7,140,000	593,849	7,733,849
2031-2034	4,895,000	146,582	5,041,582
Totals	<u>\$ 18,955,000</u>	<u>\$ 1,873,018</u>	<u>\$ 20,828,018</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities

Contracts Payable

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

The County's share of the difference between UOBWA's carrying value of the Series 2005 bonds as of the refunding date and the issuance price of the Series 2015 Bonds was \$352,272 and is reported in deferred outflow of resources as a deferred charge on refunding on the Water and Sewer Fund statement of net position. This amount will be amortized to interest expense over the life of the Series 2015 Bonds.

In October 2007, Oconee County entered into an Intergovernmental Contract-Reservoir Project with Walton County and the Walton County Water and Sewerage Authority (WCWSA). This contract indicated that WCWSA would issue the Walton County Water and Sewerage Authority Revenue Bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000. Under the terms of the Contract, the County agreed to pay the Authority amounts sufficient to pay the debt service on the Series 2008 Bonds. The County intends to make the contract payments with moneys derived from its water and sewerage system. However, the County System Revenues have not been pledged as security for the Contract Payments or the Series 2008 Bonds. In the event that the County System Revenues are insufficient to make the contract payments, the County has agreed to levy an ad valorem property tax, unlimited as to rate or amount, on all property in the County subject to taxation for such purposes in order to make the Contract Payments. The Series 2008 Bonds were partially refunded with the issuance of the Series 2015 Bonds and the refunding of the Series 2008 Bonds was completed with the issuance of the Series 2016 Bonds (discussed below).

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities, continued

Contracts Payable, continued

During July 2015, the WCWSA completed a partial advance refunding for \$8,140,000 of the Series 2008 Bonds by issuing \$8,425,000 of its Series 2015 Bonds at a premium of \$769,090. The County signed an intergovernmental contract for these bonds that is substantially the same as the one related to the Series 2008 Bonds. The refunding of this portion of the Series 2008 Bonds resulted in a deferred charge of \$1,113,677 that will be amortized to interest expense using the straight-line method over the life of the Series 2015 Bonds. The Series 2015 Bonds bear interest at rates ranging from 2% to 4% and mature at dates ranging from 2016 to 2035. The contract payable that obligates the County to make the debt service payments required by the Series 2015 Bonds is subordinate to the County's revenue bonds described below.

During October 2016, the WCWSA completed its refunding of the Series 2008 Bonds by issuing \$9,465,000 of its Series 2016 Bonds at a premium of \$1,351,577. The County again signed an intergovernmental agreement requiring that the County make contract payments sufficient to pay the debt service on the Series 2016 Bonds. The remaining outstanding Series 2008 Bonds had a carrying value of \$10,464,994 and a reacquisition price of \$11,068,847 resulting in a deferred charge of \$603,853. The deferred charge will be amortized to interest expense using the straight-line method over the life of the Series 2016 Bonds. The Series 2016 Bonds bear interest at rates ranging from 2% to 5% and mature at dates ranging from 2017 to 2038. The contract payable that obligates the County to make the debt service payments required by the Series 2016 Bonds is subordinate to the County's revenue bonds described below.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities, continued

Contracts Payable, continued

The annual requirements to amortize contracts payable at the end of the current fiscal year are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 1,044,064	\$ 851,918	\$ 1,895,982
2022	1,074,783	815,603	1,890,386
2023	1,123,646	769,310	1,892,956
2024	1,168,557	719,837	1,888,394
2025	1,228,708	665,733	1,894,441
2026-2030	5,360,445	2,472,606	7,833,051
2031-2035	5,320,000	1,432,800	6,752,800
2036-2038	3,890,000	315,000	4,205,000
Totals	<u>\$ 20,210,203</u>	<u>\$ 8,042,807</u>	<u>\$ 28,253,010</u>

Notes from Direct Borrowings

The Walton County Water and Sewer Authority entered into a note payable with the Georgia Environmental Finance Authority (GEFA) during 2013. Oconee County is obligated to pay 28.8% of the amounts payable under that note pursuant to the intergovernmental agreement that establishes the Hard Labor Creek Reservoir Project (HLC). The note allows for up to \$20,000,000 of borrowing, of which the County's share would be \$5,760,000. At the end of the current fiscal year, the entire note balance had been drawn and was outstanding. The note calls for no interest to be accrued or paid during the construction period, which originally continued until August 2016. GEFA modified the note multiple time to extend the period that the note does not accrue interest until April 1, 2023. From that date, the note accrues interest at 1%. No debt service payments are due until the note matures at December 31, 2052. All accrued interest and the principal are due at maturity.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities, continued

Notes from Direct Borrowings, continued

During July 2014, WCWSA entered into a second note payable with GEFA which allows for \$12,000,000 of borrowing, of which the County's share would be \$3,456,000. At the end of the current fiscal year, WCWSA had drawn \$7,922,734 on the note and the County's 28.8% share was \$2,281,748. All of the money drawn to date was still outstanding at the end of the current fiscal year. GEFA modified the note multiple times so that no interest accrues until February 1, 2018. The modification then calls for the note to accrue 1% interest from February 1, 2018 until April 1, 2023, when the interest rate increases to 2%. All of the interest that accrues between February 2018 and April 2023 will be capitalized into the note balance. From May 1, 2023, the County will make 60 monthly interest only payments. The County will then make 419 equal monthly principal and interest payments.

Because the notes bear interest at rates that differ substantially from the market interest rate available to the County, the accounting standards require that the County discount the required debt service payments using the County's market yield on debt with similar terms. The County estimated that the market yield that it would be required to pay would be 3% and used this rate to calculate the discount on this debt. The discounts will be amortized to interest expense over the life of the notes.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities, continued

Revenue Bonds

Revenue bonds have been issued and are comprised of the following individual issues:

- The County issued \$6,740,000 Series 2012 Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds. The bonds were issued at a premium of \$1,295,000 with issuance costs of \$177,500. The bonds were issued to advance refund \$7,390,000 of the remaining outstanding balance of the Series 2003 Oconee County, Georgia Water and Sewerage Revenue Bonds. The bonds are due in annual principal payments on September 1 beginning in 2012 with semi-annual interest payments (2.00% to 5.00%) due on March 1 and September 1. The bonds are secured by a lien on the net revenues of the County's water and sewer system. Upon the occurrence of an event of default, the bondholders may declare the payments to be made to be immediately due and payable. The remaining balance at the end of the current fiscal year was \$5,375,000.

- The County issued \$10,915,000 Series 2017A and \$1,765,000 Series 2017B Oconee County, Georgia Water and Sewerage Revenue Bonds. The bonds were issued at a premium of \$2,239,307 with issuance costs of \$287,663. The bonds were issued to finance the renovation and improvement costs of the water and sewer system and to advance refund \$1,735,000 of the remaining outstanding balance of the Series 2009 Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds. The bonds are due in annual principal payments on September 1 beginning in 2018 with semi-annual interest payments (1.70% to 2.92%) due on March 1 and September 1. The bonds are secured by a lien on the net revenues of the County's water and sewer system. Upon the occurrence of an event of default, the bondholders may declare the payments to be made to be immediately due and payable. The remaining balance at the end of the current fiscal year was \$10,915,000.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Long-Term Debt (continued)

Business-Type Activities, continued

Revenue Bonds, continued

The annual requirements to amortize revenue bonds payable at the end of the current fiscal year are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 1,270,000	\$ 782,750	\$ 2,052,750
2022	1,335,000	717,625	2,052,625
2023	1,400,000	649,250	2,049,250
2024	1,370,000	580,000	1,950,000
2025	550,000	532,000	1,082,000
2026-2030	3,215,000	2,205,625	5,420,625
2031-2035	4,130,000	1,291,750	5,421,750
2036-2038	3,020,000	231,750	3,251,750
Totals	<u>\$ 16,290,000</u>	<u>\$ 6,990,750</u>	<u>\$ 23,280,750</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

12. Bond Refundings

On May 1, 2020, the County issued \$8,210,000 Series 2020 Oconee County, Georgia General Obligation Taxable Refunding Bond, with an interest rate 1.395%. The net proceeds of \$8,048,082 (\$8,210,000 original issue less \$161,918 of issue costs) were used to place \$8,048,082 into escrow to refund the Series 2011 Oconee County, Georgia General Obligation Refunding Bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$564,429. This difference, reported in the financial statements in deferred outflow of resources as a deferred charge on refunding, is being charged to operations through fiscal year 2033 using the straight line method. The County completed the refunding to reduce its total debt service payments over the next 13 years by \$722,029 and to obtain an economic gain (the difference between the present value of the old debt and new debt service payments) of \$712,514.

On May 1, 2020, the County issued \$7,790,000 Series 2020 Oconee County Industrial Development Authority Taxable Revenue Refunding Bond, with an interest rate 1.25%. The net proceeds of \$7,637,165 (\$7,790,000 original issue less \$152,835 of issue costs) were used to place \$7,637,165 into escrow to refund a portion of the Oconee County Industrial Development Authority Revenue Bonds, Series 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$290,833. This difference, reported in the financial statements in deferred outflow of resources as a deferred charge on refunding, is being charged to operations through fiscal year 2034 using the straight line method. The Authority completed the refunding to reduce its total debt service payments over the next 14 years by \$676,623 and to obtain an economic gain (the difference between the present value of the old debt and new debt service payments) of \$670,133.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

13. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the current fiscal year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital leases payable	\$ 219,956	\$ 0	\$ 58,916	\$ 161,040	\$ 56,424
Installment sale agreements					
from direct borrowings	201,540	0	63,870	137,670	63,870
Bonds payable	16,330,000	0	15,855,000	475,000	0
Bonds from direct placements	3,410,000	16,000,000	455,000	18,955,000	695,000
Bond premiums	275,648	0	275,648	0	0
Bond discounts	(7,919)	0	(7,919)	0	0
Compensated absences	772,178	698,393	656,351	814,220	692,087
Total governmental activities	<u>\$ 21,201,403</u>	<u>\$ 16,698,393</u>	<u>\$ 17,356,866</u>	<u>\$ 20,542,930</u>	<u>\$ 1,507,381</u>
Business-type activities					
Contracts payable	\$ 21,214,596	\$ 0	\$ 1,004,393	\$ 20,210,203	\$ 1,044,064
Contract premiums	2,253,809	0	160,526	2,093,283	0
Notes from direct borrowings	8,041,748	0	0	8,041,748	0
Note discounts	(3,291,004)	0	(97,643)	(3,193,361)	0
Bonds payable	17,510,000	0	1,220,000	16,290,000	1,270,000
Bond premiums	2,522,457	0	229,629	2,292,828	0
Compensated absences	134,399	117,061	114,239	137,221	116,638
Total business-type activities	<u>\$ 48,386,005</u>	<u>\$ 117,061</u>	<u>\$ 2,631,144</u>	<u>\$ 45,871,922</u>	<u>\$ 2,430,702</u>
Component Units					
Oconee County Board of Health					
Compensated absences	<u>\$ 51,425</u>	<u>\$ 39,886</u>	<u>\$ 24,966</u>	<u>\$ 66,345</u>	<u>\$ 2,041</u>

In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. Compensated absences of the Oconee County Board of Health are liquidated by the Oconee County Board of Health. The total interest incurred and charged to expense for the current fiscal year was \$602,377 for the governmental activities and \$1,779,270 for the business-type activities.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Conduit Debt

The Oconee County Industrial Development Authority (OCIDA), a blended component unit of the County, has issued several industrial revenue bonds that were used to finance the cost of the acquisition, equipping and improvement of certain land and buildings located in Oconee County, Georgia. The total amount of industrial revenue bonds outstanding at year end was \$67,647,026, made up of four issues with original balances totaling \$77,070,000. The Authority receives an annual administrative fee of \$10,000 in connection with the issuance of the Series 2012 Bonds and \$25,000 in connection with the issuance of the Series 2018 Bonds. This fee is reported as other income in the financial statements. Although this debt bears the name of the Oconee County Industrial Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf the debt was issued. Therefore, no liability has been reflected in the financial statements for this debt.

15. Landfill Closure and Post-Closure Care 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 post-closure care requirements for landfills that accept solid waste after October 9, 1993.

During fiscal year 2016, the County obtained a permit from EPD to accept inert waste. The assured cost is defined as the sum of closure plus post-closure plus corrective action care cost. Closure costs are estimated at \$313,057. The annual post-closure care costs are estimated at \$32,097. The 30-year post-closure care cost estimate is \$962,922. Therefore, the total financial assurance required is \$1,275,979.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds at the end of the current fiscal year:

	<u>General</u>	<u>SPLOST 2015</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:				
Judicial				
Law library operations	\$ 0	\$ 0	\$ 185,574	\$ 185,574
Victim services	0	0	335,270	335,270
Judicial activities	0	0	22,740	22,740
Public Safety				
Drug abuse treatment and education	0	0	111,451	111,451
Public safety activities	0	0	171,413	171,413
Public Works				
Road maintenance and construction	683,394	0	0	683,394
Public works activities	0	0	808	808
Culture and recreation				
Parks and recreation	0	0	18,463	18,463
Housing and Development				
Clean and beautiful	0	0	9,817	9,817
Tourism promotion	0	0	108,879	108,879
Capital projects	0	6,617,595	688,355	7,305,950
	<u>\$ 683,394</u>	<u>\$ 6,617,595</u>	<u>\$ 1,652,770</u>	<u>\$ 8,953,759</u>
Committed for:				
Public Works				
Road maintenance and construction	<u>\$ 1,035,939</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,035,939</u>
Assigned to:				
Health and welfare				
Senior services	\$ 0	\$ 0	\$ 304,333	\$ 304,333
Housing and Development				
Economic development	0	0	1,680,405	1,680,405
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,984,738</u>	<u>\$ 1,984,738</u>

17. Deficit Equity Balances

At the end of the current fiscal year, the Multiple Grant Special Revenue Fund has a deficit fund balance of \$21,000. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

18. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	Governmental Activities	Business-Type Activities
Cost of capital assets	\$ 226,633,214	\$ 153,028,022
Accumulated depreciation	(126,285,999)	(36,744,639)
Book value	100,347,215	116,283,383
Capital-related accounts payable	(625,677)	(117,228)
Retainages payable	(104,488)	(12,375)
Capital leases payable	(161,040)	0
Installment sale agreements payable	(137,670)	0
Contracts payable	0	(17,939,170)
Notes payable	0	(4,848,387)
Bonds payable	(11,165,000)	(18,582,828)
Deferred charges on refunding	557,002	1,483,155
Unspent debt proceeds	878	464,016
Net investment in capital assets	<u>\$ 88,711,220</u>	<u>\$ 76,730,566</u>

19. Retirement Plans

County Defined Benefit Pension Plan

Plan Description. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by the Government Employee Benefits Corporation of Georgia (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 retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan. A separately issued financial report of the Plan may be obtained by writing GEBCORP at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Control over the operation and administration of the plan is vested with ACCG along with custody of the plan assets. The plan provides that the County has no liability with respect to payments or benefits or otherwise under the plan except to pay over to ACCG such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the County but shall be allocated to employees. All full-time County employees are eligible to participate in the Plan after completing three years of service.

There are no loans to any of the County officials or other “party-in-interest,” and there are no prohibited transactions. The plan assets do not include any securities or investments in Oconee County. The funds are managed by independent money managers.

At January 1, 2019, the date of the most recent actuarial valuation, there were 409 participants consisting of the following:

Retirees, beneficiaries and disablees receiving benefits	98
Terminated vested participants entitled to but not yet receiving benefits	134
Active participants	177
Total number of participants	409

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

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Contributions. Employees make no contributions to the plan. The County is required to contribute the amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law, using the basis described in the annual valuation report. The County's actual contributions for the current fiscal year were \$2,061,322, or 23.28% of covered payroll of \$8,856,225. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the County reported a net pension liability of \$9,161,799. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. For governmental activities, the net pension liability is liquidated in the General Fund. For the current fiscal year, the County recognized pension expense of \$2,265,512.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 12/31/18	\$ 30,151,759	\$ 19,633,268	\$ 10,518,491
Changes for the year:			
Service cost	663,430	0	663,430
Interest	2,066,670	0	2,066,670
Liability experience (gain) / loss	374,857	0	374,857
Assumption change	1,498,663	0	1,498,663
Employer contributions	0	2,061,322	(2,061,322)
Net investment income	0	4,072,030	(4,072,030)
Benefit payments	(1,255,798)	(1,255,798)	0
Administrative expense	0	(57,095)	57,095
Other changes	0	(115,945)	115,945
Net changes	<u>3,347,822</u>	<u>4,704,514</u>	<u>(1,356,692)</u>
Balances at 12/31/19	<u>\$ 33,499,581</u>	<u>\$ 24,337,782</u>	<u>\$ 9,161,799</u>

Plan fiduciary net position as a percentage of the total pension liability	72.65%
Covered payroll	\$ 8,523,879
Net pension liability as a percentage of covered payroll	107.48%

At the end of the current fiscal year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 843,216	\$ (232,266)
Net difference between projected and actual earnings on pension plan investments	0	(1,175,537)
Changes of assumptions	<u>1,858,664</u>	<u>0</u>
Totals	<u>\$ 2,701,880</u>	<u>\$ (1,407,803)</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30	
2021	\$ 587,596
2022	507,048
2023	519,438
2024	<u>(320,005)</u>
Totals	<u>\$ 1,294,077</u>

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Projected salary increases	4.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.00%

Healthy mortality rates were based on the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2019. Disabled mortality rates were derived from the 1985 CIDA Table Class 1.

The mortality and economic actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study conducted in February 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The pension plan's target asset allocation as of December 31, 2019 is summarized in the following table:

	Target Allocation	Range
Fixed Income	30%	25%-35%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.00%	\$ 13,763,292
Current discount rate	7.00%	9,161,799
1% increase	8.00%	5,341,886

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia Benefit System financial report.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

County 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.

County Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is administered by an independent third party plan administrator.

In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the County's Deferred Compensation Plan are not included within the County's financial statements.

Other Plans

In addition to the plan above, various County employees are covered under the following plans, which are considered to be special funding situations: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

19. Retirement Plans (continued)

Oconee County Board of Health Retirement Plan

Eligible employees of the Oconee County Board of Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the current fiscal year, the Department contributed \$103,793. At the end of the current fiscal year, the Department reported a liability in the amount of \$618,732 for its proportionate share (0.014994%) of the net pension liability. The Department recognized pension expense of \$135,059 for the current fiscal year. Further information regarding the plan can be obtained from Department's annual audit report by contacting the administrative offices of the Oconee County Health Department, 1060 Experiment Station Road, Watkinsville, GA 30677.

20. Other Post-Employment Benefits

County Plan

Plan Description. The County provides postretirement health care benefits under the Oconee County Health Care Plan to former employees who retired prior to 2010, certain former employees who retired in 2010 and 2011 and current employees (employed prior to January 1, 2018) who remain insured by the County's health plan throughout their employment with the County through at least age 60 provided that the employee has at least 10 years of service. The plan is a single-employer defined-benefit other post-employment benefit (OPEB) plan administered by the County. The plan is closed to new entrants and employees must have been employed prior to January 1, 2018 to be eligible to participate in the plan. The plan is a single employer plan, and it does not issue a separately available financial report. The County contributes toward retiree health costs on the authority of a resolution by the Board of Commissioners. Any plan amendments would similarly be approved by a resolution of the Board of Commissioners.

At June 30, 2020, the date of the most recent actuarial valuation, membership consisted of the following:

Active members	233
Retired members	<u>62</u>
Total membership	<u><u>295</u></u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. Other Post-Employment Benefits (continued)

County Plan, continued

Benefits Provided. The County allows eligible former employees to continue to participate in the County's health insurance plan until they become eligible for Medicare and pays an amount equal to the cost of a Medicare Supplement Premium toward the retiree's health benefit. The difference between the cost of the health benefit, on a composite (non-age adjusted basis) and the County's contribution is paid by the retiree. The County pays around \$230 per month towards a retiree's Medicare supplement premium after the retiree becomes eligible for Medicare. Dependent cost is the responsibility of the retiree, but neither retirees nor current employees contribute toward the plan.

Contributions. The County has not elected to advance fund the OPEB plan, but rather maintains the OPEB plan on a "pay-as-you-go" basis, in that premiums are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the County reported a net OPEB liability of \$9,270,241. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined and measured from actuarial valuations using data as of June 30, 2020. For governmental activities, the net OPEB liability is liquidated in the General Fund. During the current fiscal year, the County recognized OPEB expense of \$863,767.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. Other Post-Employment Benefits (continued)

County Plan, continued

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2019	\$ 6,087,269	\$ 0	\$ 6,087,269
Changes for the year:			
Service cost	257,798	0	257,798
Interest	209,936	0	209,936
Differences between expected and actual experience	(249,007)	0	(249,007)
Assumption changes	3,144,011	0	3,144,011
Contributions - employer	0	179,766	(179,766)
Benefit payments	(179,766)	(179,766)	0
Net changes	<u>3,182,972</u>	<u>0</u>	<u>3,182,972</u>
Balances at 6/30/2020	<u>\$ 9,270,241</u>	<u>\$ 0</u>	<u>\$ 9,270,241</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered-employee payroll	\$ 10,655,772
Plan net OPEB liability as a percentage of covered-employee payroll	87.00%

At the end of the current fiscal year, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (214,943)
Changes of assumptions	2,713,914	0
Totals	<u>\$ 2,713,914</u>	<u>\$ (214,943)</u>

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. Other Post-Employment Benefits (continued)

County Plan, continued

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 396,033
2022	396,033
2023	396,033
2024	396,033
2025	396,033
Thereafter	<u>518,806</u>
Totals	<u>\$ 2,498,971</u>

Actuarial Assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary scale	4.50% per year with an aged based scale
Actuarial cost method	Entry age normal
Discount rate	2.21%, 3.87% at prior measurement date
Healthcare cost trend rates	Pre-Medicare: 7.0% trended down to 4.5% by 2030 Medicare: 7.0% trended down to 4.5% by 2030
Mortality rates	Pub-2010 50% General & 50% Public Safety Headcount-weighted with Scale AA to 2020
Disabled mortality rates	1985 CIDA Table Class 1
Turnover	Vaughn Select and Ultimate Table through age 54
Utilization	75% utilization based on plan experience and input from the plan sponsor
Marriage assumption	Based on plan experience over the last 5 years, it was assumed that 10% of the population would be married with males being three years older than females.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. Other Post-Employment Benefits (continued)

County Plan, continued

The demographic actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of a February 2019 experience study and review of recent plan experience done concurrently with the June 30, 2020 valuation.

Development of Long-Term Rate. Since the County funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Municipal Bond Index Rate used for this purpose is the last week of June Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer (www.bondbuyer.com). The Municipal Bond Index Rate as of the measurement date was 2.21%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.21%) or one percentage-point higher (3.21%) than the current rate. Also, shown is the net OPEB liability as if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current healthcare trend rates:

<u>Discount Rate</u>		<u>Net OPEB Liability</u>
1% decrease	1.21%	\$ 10,716,187
Current discount rate	2.21%	9,270,241
1% increase	3.21%	8,078,387
		<u>Net OPEB Liability</u>
<u>Healthcare Cost Trend Rates</u>		
1% decrease		\$ 7,850,063
Current discount rate		9,270,241
1% increase		11,082,485

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. Other Post-Employment Benefits (continued)

County Plan, continued

OPEB Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued GASB Statement No. 75 Report for The Oconee County Health Care Plan.

Oconee County Board of Health OPEB Plans

Eligible employees of the Oconee County Board of Health are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the current fiscal year, the Department contributed \$23,249. At the end of the current fiscal year, the Department reported a net liability in the amount of \$131,844 for its proportionate share (0.014158% for the State of Georgia OPEB Fund and 0.015526% for the SEAD-OPEB Fund) of the net OPEB liability. The Department recognized OPEB expense of (\$53,167) for the current fiscal year. Further information regarding the plans can be obtained from the administrative offices of the Oconee County Health Department, 1060 Experiment Station Road, Watkinsville, GA 30677.

21. Hotel/Motel Lodging Tax

The County has levied a 6% lodging tax in accordance with OCGA §48-13-51(a)(4). A summary of the transactions for the current fiscal year follows:

Lodging Tax Receipts	\$ 117,644
Disbursements for promotion of trade and tourism	\$ 74,351 63% of tax receipts

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

22. Tax Abatements

The County can enter into ad valorem property tax abatement agreements with the Oconee County Industrial Development Authority (“the Authority”) under OCGA §36-62 by participating with the Authority and local businesses through a bond-lease transaction. Under this arrangement, the Authority issues revenue bonds. The proceeds of the bonds enable the Authority to take title to the applicant’s economic development project. The project is then leased or rented by the Authority to the applicant and the applicant pays rents that repay the bonds. The purpose of tax abatements through this authority is to create community employment and community investment. Eligibility for this program is individually considered based on the employment and investment commitment made by the applicant.

For the current fiscal year, the County abated ad valorem property taxes totaling \$173,720 through an agreement. The following agreement exceeds 25 percent of the total amount abated:

- A local manufacturing plant had tax abatements of \$173,720. The appraised value of leasehold interests is discounted using the agreement's rate schedule. By meeting community job and community investment goals each year, the manufacturer continues to be eligible for tax abatements. If there is a shortfall in meeting the established criteria, 100% of abated taxes in the year of the shortfall will be due.

23. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Northeast Georgia Regional Commission (NEGRC) and is required to pay annual dues thereto. During the current fiscal year, the County paid \$30,764 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Financial statements for NEGRC can be obtained at 305 Research Drive, Athens, Georgia 30605-2795.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

23. Joint Ventures (continued)

The County, along with three other counties, is a member of the Upper Oconee Basin Water Authority (UOBWA). The purpose of this venture was to construct a reservoir and water treatment plant that would provide water for the counties involved. Each government is responsible for a pro-rata share of the costs based on population. In April 2015, the UOBWA issued \$29.98 million of Series 2015 Revenue Refunding Bonds. These bonds were issued to advance refund the Series 2005 Water Revenue Refunding Bonds. In March 2005, the UOBWA issued \$48,155,000 of Water Revenue Refunding Bonds, Series 2005. The proceeds of the bonds were used to advance refund the Series 1997 Bonds maturing in the years 2009 and thereafter and to pay certain expenses incident to the issuance of the bonds. The County's share of the bond debt is 20.929%. An investment in UOBWA and an offsetting contract payable were recorded in the Oconee County Water and Sewer Fund to recognize this investment and obligation. The County is reducing the contract payable through monthly payments made from the Water and Sewer Fund which are more fully described in long-term debt note. 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 the end of the current fiscal year consisted of the following:

Initial cash costs	\$ 70,221
Contract payable for 20.959% of revenue bond liability	11,787,064
Additional cash investments	<u>41,250</u>
	11,898,535
Accumulated amortization	<u>(2,932,743)</u>
Investment in UOBWA, net	<u><u>\$ 8,965,792</u></u>

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

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

24. Risk Financing Activities

Material estimates have been made by management about the historical cost of capital assets and the life of the depreciated capital assets. Management has used a conservative approach on these estimates.

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 County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia 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 agent 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 cost taxed against the 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.

Settled claims in the past three years have not exceeded the coverages.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

24. Risk Financing Activities (continued)

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At the end of the current fiscal year, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

25. Contingencies

Oconee County participates in a number of revenue sharing grants. Expenditures financed by revenue sharing grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

26. Prior Period Balance Reclassification

A portion of the County’s balances have been restated to reclassify cash and cash equivalents previously reported under the investments caption. The reclassification had no effect on net position or fund balance.

OCONEE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

27. Subsequent Events

Subsequent to June 30, 2020, the County received \$1,849,130 of funding as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). These funds are reimbursements for the County's expenditures related to public safety and various items during the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Total pension liability		
Service cost	\$ 663,430	\$ 678,069
Interest	2,066,670	1,948,926
Liability experience (gain) / loss	374,857	952,491
Assumption change	1,498,663	298,321
Benefit payments, including refunds of employee contributions	<u>(1,255,798)</u>	<u>(1,215,562)</u>
Net change in total pension liability	3,347,822	2,662,245
Total pension liability - beginning	<u>30,151,759</u>	<u>27,489,514</u>
Total pension liability - ending (a)	<u><u>\$ 33,499,581</u></u>	<u><u>\$ 30,151,759</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 2,061,322	\$ 1,969,963
Net investment income	4,072,030	(1,040,521)
Benefit payments, including refunds of employee contributions	(1,255,798)	(1,215,562)
Administrative expense	(57,095)	(43,795)
Other	<u>(115,945)</u>	<u>(25,000)</u>
Net change in plan fiduciary net position	4,704,514	(354,915)
Plan fiduciary net position - beginning	<u>19,633,268</u>	<u>19,988,183</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 24,337,782</u></u>	<u><u>\$ 19,633,268</u></u>
Net pension liability - ending : (a) - (b)	<u><u>\$ 9,161,799</u></u>	<u><u>\$ 10,518,491</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	72.65%	65.11%
Covered payroll	\$ 8,523,879	\$ 8,099,621
Net pension liability as a percentage of covered payroll	107.48%	129.86%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior to 2015 are not reported.

Fiscal Year End

2018	2017	2016	2015
\$ 658,214	\$ 654,950	\$ 660,206	\$ 662,925
1,842,908	1,790,320	1,630,194	1,534,234
64,686	(627,429)	(95,391)	0
58,794	833,028	945,358	0
<u>(1,109,036)</u>	<u>(1,095,712)</u>	<u>(914,999)</u>	<u>(920,393)</u>
1,515,566	1,555,157	2,225,368	1,276,766
<u>25,973,948</u>	<u>24,418,791</u>	<u>22,193,423</u>	<u>20,916,657</u>
<u>\$ 27,489,514</u>	<u>\$ 25,973,948</u>	<u>\$ 24,418,791</u>	<u>\$ 22,193,423</u>
\$ 1,789,897	\$ 1,732,389	\$ 1,716,341	\$ 1,781,612
2,597,610	1,029,641	152,431	849,702
(1,109,036)	(1,095,712)	(914,999)	(920,393)
(39,969)	(44,504)	(44,145)	(41,842)
<u>(77,237)</u>	<u>(68,060)</u>	<u>(167,210)</u>	<u>(50,610)</u>
3,161,265	1,553,754	742,418	1,618,469
<u>16,826,918</u>	<u>15,273,164</u>	<u>14,530,746</u>	<u>12,912,277</u>
<u>\$ 19,988,183</u>	<u>\$ 16,826,918</u>	<u>\$ 15,273,164</u>	<u>\$ 14,530,746</u>
<u>\$ 7,501,331</u>	<u>\$ 9,147,030</u>	<u>\$ 9,145,627</u>	<u>\$ 7,662,677</u>
72.71%	64.78%	62.55%	65.47%
\$ 7,788,152	\$ 7,986,368	\$ 8,439,900	\$ 8,409,345
96.32%	114.53%	108.36%	91.12%

OCONEE COUNTY, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Actuarially determined contribution	\$ 1,857,591	\$ 1,779,777
Contributions in relation to the actuarially determined contribution	<u>(2,061,322)</u>	<u>(1,969,963)</u>
Contribution deficiency (excess)	<u>\$ (203,731)</u>	<u>\$ (190,186)</u>
Covered payroll	\$ 8,856,225	\$ 8,099,621
Contributions as a percentage of covered payroll	23.28%	24.32%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior to 2015 are not reported.

Fiscal Year End

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,776,367	\$ 1,675,242	\$ 1,623,896	\$ 1,754,892
<u>(1,789,897)</u>	<u>(1,732,389)</u>	<u>(1,716,341)</u>	<u>(1,781,612)</u>
<u>\$ (13,530)</u>	<u>\$ (57,147)</u>	<u>\$ (92,445)</u>	<u>\$ (26,720)</u>
\$ 7,788,152	\$ 7,986,368	\$ 8,439,900	\$ 8,409,345
22.98%	21.69%	20.34%	21.19%

OCONEE COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 257,798	\$ 236,374	\$ 236,374
Interest	209,936	209,441	209,443
Differences between expected and actual experience	(249,007)	0	0
Assumption changes	3,144,011	0	0
Benefit payments	(179,766)	(143,764)	(143,764)
Net change in total OPEB liability	3,182,972	302,051	302,053
Total OPEB liability - beginning	6,087,269	5,785,218	5,483,165
Total OPEB liability - ending (a)	\$ 9,270,241	\$ 6,087,269	\$ 5,785,218
Plan fiduciary net position			
Contributions - employer	\$ 179,766	\$ 143,764	\$ 143,764
Benefit payments	(179,766)	(143,764)	(143,764)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	\$ 0	\$ 0	\$ 0
Net OPEB liability - ending : (a) - (b)	\$ 9,270,241	\$ 6,087,269	\$ 5,785,218
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 10,655,772	\$ 9,661,589	\$ 9,661,589
Net OPEB liability as a percentage of covered-employee payroll	87.00%	63.00%	59.88%

Note: Fiscal year 2018 was the first year of implementation. Therefore, fiscal years prior to 2018 are not reported.

OCONEE COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Pension Plan

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2019, with an interest adjustment to the fiscal year.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset valuation method = Smoothed market value with a 5-year smoothing period

Net investment rate of return = 7.00%

Projected salary increases = 4.50% per year with an age based scale

Cost of living adjustments = N/A

Normal retirement age for inactive vested participants = Employed prior to August 2010 is age 65 with 5 years of vesting service; employed after August 2010 is age 65 with 10 years of vesting service

Mortality = Healthy mortality rates were based on the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2019. Disabled mortality rates were derived from the 1985 CIDA Table Class 1.

OCONEE COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Pension Plan (continued)

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

The mortality table was changed from the RP-2000 with Scale AA projected to 2018 to the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2019.

OPEB Plan

1. Valuation Date

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined and measured from actuarial valuations using data as of June 30, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

No assets are accumulated in a trust to pay benefits.

Actuarial cost method = Entry age normal

Discount rate = 2.21%, 3.87% at prior measurement date

Healthcare cost trend rates = 7.0% trended down to 4.5% by 2030

Mortality rates = Pub-2010 50% General & 50% Public Safety Headcount-weighted with Scale AA to 2020

Disabled mortality rates = 1985 CIDA Table Class 1

OCONEE COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

OPEB Plan (continued)

2. Methods and Assumptions Used to Determine Contribution Rates (continued)

Turnover = Vaughn Select and Ultimate Table through age 54

Utilization = 75% utilization based on plan experience and input from the plan sponsor

Marriage assumption = Based on plan experience over the last 5 years, it was assumed that 10% of the population would be married with males being three years older than females.

3. Changes in Benefits

There have been no benefit changes since the prior measurement date.

4. Changes of Assumptions

Mortality tables changed from RP-2000 projected with Scale AA to Pub-2010 50% General & 50% Public Safety Headcount-weighted with Scale AA projected to 2020.

Turnover changed to Vaughn Select and Ultimate Table through age 54.

Disability changed to 1985 CIDA Table Class 1.

Discount rate changed from 3.87% to 2.21%.

Salary scale changed from a constant rate of 4.75% to a 4.50% age based scale.

Ultimate trend changed from 5.0% to 4.5%.

Post-65 trend changed from 5.0% to an initial rate of 7.0% decreasing annual until an ultimate rate of 4.5% is achieved.

Utilization was changed from 65% to 75%.

Marriage assumption was changed from 80% to 10%.

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COMBINING STATEMENTS
Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Council on Aging Fund – This fund is used to account for the activity relating to the County's senior center.

Law Library Fund – This fund is used to account for the funds used for the purpose of providing a law library for use by the County courts.

Confiscated Assets Fund – This fund is used to account for the cash received either from a cash confiscation or cash received from the sale of capital assets acquired from a drug raid.

Drug Abuse Treatment & Education Fund – This fund is used to account for the cash received from surcharges added to the base fine and collected by the courts. Funds are expended for drug abuse treatment and education programs or a drug/DUI court.

Special Revenue Fund – This fund is used to account 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.

Victim Services & Forfeited Property Fund – This fund is used to account for the receipt of the additional court costs assessed for the purpose of assisting victims and to cover the related salary costs.

E-911 Fund – This fund is used to account for the fiscal activity related to the imposition, collection, and uses of the E-911 emergency telephone system fees.

Multiple Grant Fund – This fund is used to account for the fiscal activity related to various small grants awarded to the County.

Special Lighting District Fund – This fund is used to account for the fiscal activity relating to providing of street lighting services within the County.

Hotel/Motel Tax Fund – This fund is used to account for the hotel/motel taxes collected as required by general law that are legally restricted for promotion of trade and tourism in the County.

Industrial Development Authority Fund – This fund is used to account for the General Fund of the Oconee County Industrial Development Authority, which meets the criteria of a blended component unit, and is included in Oconee County's report as though it were not a separate legal entity.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

SPLOST 2004 Fund – This fund is used to account for capital projects financed from SPLOST funds.

SPLOST 2009 Fund – This fund is used to account for capital projects financed from SPLOST funds.

Local Resources Fund – This fund is used to account for the acquisition of capital facilities.

Industrial Development Authority Parkway Blvd Fund – This fund is used to account for all of the funds received and expended related to the Authority's issuance of its Series 2012 and Series 2016 revenue bonds.

**OCONEE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020**

	Special Revenue						
	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue	Victims Services & Forfeited Property	
ASSETS							
Cash and cash equivalents	\$ 310,038	\$ 188,326	\$ 24,286	\$ 111,451	\$ 167,821	\$ 314,203	\$ 0
Certificates of deposit	0	0	0	0	0	0	0
Receivables (net)							
Accounts	0	0	0	0	8,634	0	0
Intergovernmental	42,116	0	0	0	0	201,940	145,830
Taxes	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	41,169	0	0
Prepaid items	2,538	0	0	0	0	0	5,940
Total assets	\$ 354,692	\$ 188,326	\$ 24,286	\$ 111,451	\$ 217,624	\$ 516,143	\$ 151,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 5,097	\$ 0	\$ 1,477	\$ 0	\$ 9,376	\$ 180,873	\$ 9,898
Accrued salaries and payroll liabilities	12,512	0	0	0	0	0	54,755
Unearned revenue	0	0	0	0	0	0	0
Due to other funds	30,212	2,752	0	0	7,816	0	87,117
Total liabilities	47,821	2,752	1,477	0	17,192	180,873	151,770
Deferred inflows of resources							
Unavailable property taxes	0	0	0	0	0	0	0
Unavailable grant reimbursements	0	0	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0	0	0
Fund balances							
Nonspendable prepaid items	2,538	0	0	0	0	0	5,940
Restricted for:							
Judicial	0	185,574	0	0	22,740	335,270	0
Public Safety	0	0	22,809	111,451	148,604	0	0
Public Works	0	0	0	0	808	0	0
Culture and Recreation	0	0	0	0	18,463	0	0
Housing and Development	0	0	0	0	9,817	0	0
Capital outlay	0	0	0	0	0	0	0
Assigned to:							
Health and Welfare	304,333	0	0	0	0	0	0
Housing and Development	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	(5,940)
Total fund balances	306,871	185,574	22,809	111,451	200,432	335,270	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 354,692	\$ 188,326	\$ 24,286	\$ 111,451	\$ 217,624	\$ 516,143	\$ 151,770

Special Revenue				Capital Projects				Total Nonmajor Governmental Funds
Multiple Grant	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	SPLOST 2004	SPLOST 2009	Local Resources Capital Projects	Industrial Development Authority Parkway Blvd	
\$ 0	\$ 96	\$ 0	\$ 991,179	\$ 156,169	\$ 216,805	\$ 0	\$ 78,301	\$ 2,558,675
0	0	0	700,672	0	0	0	0	700,672
0	0	0	25,000	60	10	0	0	33,704
49,254	0	0	0	0	0	0	0	439,140
0	1,012	1,212	0	0	0	0	0	2,224
0	16,872	348,494	0	0	0	3,875	0	410,410
0	0	516	0	0	0	0	0	8,994
<u>\$ 49,254</u>	<u>\$ 17,980</u>	<u>\$ 350,222</u>	<u>\$ 1,716,851</u>	<u>\$ 156,229</u>	<u>\$ 216,815</u>	<u>\$ 3,875</u>	<u>\$ 78,301</u>	<u>\$ 4,153,819</u>
\$ 3,108	\$ 17,064	\$ 0	\$ 11,446	\$ 0	\$ 1,181	\$ 3,875	\$ 0	\$ 243,395
0	0	3,152	0	0	0	0	0	70,419
0	0	0	25,000	0	0	0	0	25,000
46,146	0	0	0	0	0	0	0	174,043
<u>49,254</u>	<u>17,064</u>	<u>3,152</u>	<u>36,446</u>	<u>0</u>	<u>1,181</u>	<u>3,875</u>	<u>0</u>	<u>512,857</u>
0	916	0	0	0	0	0	0	916
21,000	0	0	0	0	0	0	0	21,000
<u>21,000</u>	<u>916</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,916</u>
0	0	516	0	0	0	0	0	8,994
0	0	0	0	0	0	0	0	543,584
0	0	0	0	0	0	0	0	282,864
0	0	0	0	0	0	0	0	808
0	0	0	0	0	0	0	0	18,463
0	0	108,879	0	0	0	0	0	118,696
0	0	238,191	0	156,229	215,634	0	78,301	688,355
0	0	0	0	0	0	0	0	304,333
0	0	0	1,680,405	0	0	0	0	1,680,405
(21,000)	0	(516)	0	0	0	0	0	(27,456)
<u>(21,000)</u>	<u>0</u>	<u>347,070</u>	<u>1,680,405</u>	<u>156,229</u>	<u>215,634</u>	<u>0</u>	<u>78,301</u>	<u>3,619,046</u>
<u>\$ 49,254</u>	<u>\$ 17,980</u>	<u>\$ 350,222</u>	<u>\$ 1,716,851</u>	<u>\$ 156,229</u>	<u>\$ 216,815</u>	<u>\$ 3,875</u>	<u>\$ 78,301</u>	<u>\$ 4,153,819</u>

OCONEE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	Special Revenue						E-911
	Council on Aging	Law Library	Confiscated Assets	Drug Abuse Treatment & Education Fund	Special Revenue	Victims Services & Forfeited Property	
REVENUES							
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	192,613	0	0	0	0	594,046	0
Charges for services	0	0	0	0	43,805	0	878,262
Fines, fees, and forfeitures	0	24,177	9,179	24,046	0	28,832	0
Interest	61	159	3	0	173	0	0
Contributions	25,271	0	0	0	159,388	0	0
Other	0	0	0	0	0	0	0
Total revenues	217,945	24,336	9,182	24,046	203,366	622,878	878,262
EXPENDITURES							
Current							
General Government	0	0	0	0	5,800	0	0
Judicial	0	4,040	0	0	6,310	717,668	0
Public Safety	0	0	13,292	6,310	116,077	0	1,678,437
Public Works	0	0	0	0	148	0	0
Health and Welfare	582,625	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	38,712	0	0
Housing and Development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	66,598
Total expenditures	582,625	4,040	13,292	6,310	167,047	717,668	1,745,035
Excess (deficiency) of revenues over (under) expenditures	(364,680)	20,296	(4,110)	17,736	36,319	(94,790)	(866,773)
Other financing sources (uses)							
Transfers in	400,825	0	0	0	18,319	146,250	866,773
Transfers out	0	0	0	(9,000)	(18,447)	0	0
Sale of capital assets	0	0	0	0	0	0	0
Issuance of bonds payable	0	0	0	0	0	0	0
Payments to refunded bond escrow agent	0	0	0	0	0	0	0
Total other financing sources (uses)	400,825	0	0	(9,000)	(128)	146,250	866,773
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	36,145	20,296	(4,110)	8,736	36,191	51,460	0
Fund balances, July 1	270,726	165,278	26,919	102,715	164,241	283,810	0
Fund balances, June 30	\$ 306,871	\$ 185,574	\$ 22,809	\$ 111,451	\$ 200,432	\$ 335,270	\$ 0

Special Revenue				Capital Projects				Total Nonmajor Governmental Funds
Multiple Grant	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	SPLOST 2004	SPLOST 2009	Local Resources Capital Projects	Industrial Development Authority Parkway Blvd	
\$ 0	\$ 200,599	\$ 117,644	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 318,243
92,515	0	0	0	0	0	0	0	879,174
0	0	0	10,000	0	0	0	0	932,067
0	0	0	0	0	0	0	0	86,234
0	0	0	10,377	21,878	216	0	0	32,867
0	0	0	0	0	0	0	0	184,659
0	0	0	134,160	0	0	0	0	134,160
92,515	200,599	117,644	154,537	21,878	216	0	0	2,567,404
0	0	0	0	0	0	0	0	5,800
0	0	0	0	0	0	0	0	728,018
44,615	0	0	0	0	0	0	0	1,858,731
0	208,654	0	0	0	0	0	0	208,802
50,000	0	0	0	0	0	0	0	632,625
0	0	0	0	0	0	0	0	38,712
0	0	144,120	18,428	0	0	0	0	162,548
0	0	0	0	2,913,627	53,732	498,293	0	3,465,652
0	0	0	152,835	0	0	0	0	219,433
94,615	208,654	144,120	171,263	2,913,627	53,732	498,293	0	7,320,321
(2,100)	(8,055)	(26,476)	(16,726)	(2,891,749)	(53,516)	(498,293)	0	(4,752,917)
0	8,055	22,710	0	0	0	498,293	0	1,961,225
0	0	0	0	0	0	0	0	(27,447)
0	0	0	347,052	0	0	0	0	347,052
0	0	0	7,790,000	0	0	0	0	7,790,000
0	0	0	(7,637,165)	0	0	0	0	(7,637,165)
0	8,055	22,710	499,887	0	0	498,293	0	2,433,665
(2,100)	0	(3,766)	483,161	(2,891,749)	(53,516)	0	0	(2,319,252)
(18,900)	0	350,836	1,197,244	3,047,978	269,150	0	78,301	5,938,298
\$ (21,000)	\$ 0	\$ 347,070	\$ 1,680,405	\$ 156,229	\$ 215,634	\$ 0	\$ 78,301	\$ 3,619,046

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AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Sheriff - This fund accounts for deposits held for incarcerated inmates.

Superior Court, Probate Court, Magistrate Court, and Juvenile Court - These funds account for assets and related liabilities for the collection of court related fees.

**OCONEE COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 June 30, 2020**

	Tax Commissioner	Sheriff
ASSETS		
Cash	\$ 17,237	\$ 19,858
Taxes receivable, net	472,270	0
	\$ 489,507	\$ 19,858
Total assets	\$ 489,507	\$ 19,858
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	\$ 489,507	\$ 19,858

<u>Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Juvenile Court</u>	<u>Totals</u>
\$ 300,016	\$ 124,338	\$ 92,023	\$ 408	\$ 553,880
0	0	0	0	472,270
<u>\$ 300,016</u>	<u>\$ 124,338</u>	<u>\$ 92,023</u>	<u>\$ 408</u>	<u>\$ 1,026,150</u>
<u>\$ 300,016</u>	<u>\$ 124,338</u>	<u>\$ 92,023</u>	<u>\$ 408</u>	<u>\$ 1,026,150</u>

OCONEE COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2020

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
TAX COMMISSIONER				
ASSETS				
Cash	\$ 11,348	\$ 61,168,071	\$ 61,162,182	\$ 17,237
Taxes receivable, net	298,012	35,202,283	35,028,025	472,270
Total	<u>\$ 309,360</u>	<u>\$ 96,370,354</u>	<u>\$ 96,190,207</u>	<u>\$ 489,507</u>
LIABILITIES				
Due to others	<u>\$ 309,360</u>	<u>\$ 96,370,354</u>	<u>\$ 96,190,207</u>	<u>\$ 489,507</u>
SHERIFF				
ASSETS				
Cash	<u>\$ 17,284</u>	<u>\$ 70,919</u>	<u>\$ 68,345</u>	<u>\$ 19,858</u>
LIABILITIES				
Due to others	<u>\$ 17,284</u>	<u>\$ 70,919</u>	<u>\$ 68,345</u>	<u>\$ 19,858</u>
SUPERIOR COURT				
ASSETS				
Cash	<u>\$ 237,464</u>	<u>\$ 6,831,217</u>	<u>\$ 6,768,665</u>	<u>\$ 300,016</u>
LIABILITIES				
Due to others	<u>\$ 237,464</u>	<u>\$ 6,831,217</u>	<u>\$ 6,768,665</u>	<u>\$ 300,016</u>
PROBATE COURT				
ASSETS				
Cash	<u>\$ 155,886</u>	<u>\$ 861,864</u>	<u>\$ 893,412</u>	<u>\$ 124,338</u>
LIABILITIES				
Due to others	<u>\$ 155,886</u>	<u>\$ 861,864</u>	<u>\$ 893,412</u>	<u>\$ 124,338</u>
MAGISTRATE COURT				
ASSETS				
Cash	<u>\$ 109,540</u>	<u>\$ 157,583</u>	<u>\$ 175,100</u>	<u>\$ 92,023</u>
LIABILITIES				
Due to others	<u>\$ 109,540</u>	<u>\$ 157,583</u>	<u>\$ 175,100</u>	<u>\$ 92,023</u>
JUVENILE COURT				
ASSETS				
Cash	<u>\$ 408</u>	<u>\$ 4,170</u>	<u>\$ 4,170</u>	<u>\$ 408</u>
LIABILITIES				
Due to others	<u>\$ 408</u>	<u>\$ 4,170</u>	<u>\$ 4,170</u>	<u>\$ 408</u>
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 531,930	\$ 69,093,824	\$ 69,071,874	\$ 553,880
Taxes receivable, net	298,012	35,202,283	35,028,025	472,270
Total	<u>\$ 829,942</u>	<u>\$ 104,296,107</u>	<u>\$ 104,099,899</u>	<u>\$ 1,026,150</u>
LIABILITIES				
Due to others	<u>\$ 829,942</u>	<u>\$ 104,296,107</u>	<u>\$ 104,099,899</u>	<u>\$ 1,026,150</u>

NOTE: The July 1, 2019 balance for taxes receivable, net and due to others has been restated by \$298,012 in the Tax Commissioner Agency Fund.

OTHER REPORTING SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Honorable Chairman and
Members of the Board of Commissioners
Oconee County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2020, and the related notes to the financial statements, which collectively comprise Oconee County, Georgia's basic financial statements and have issued our report thereon dated December 4, 2020. Our report includes a reference to other auditors who audited the financial statements of the Oconee County Board of Health and the Oconee County Tourism & Visitors Bureau as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Oconee County Tourism & Visitors Bureau were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control that we consider to be a significant deficiency:

2020-001

Condition: While performing procedures at the Clerk of Court's office, we noted appropriate segregation of duties does not exist. The Clerk prepares and signs all checks, records all transactions, reconciles all bank statements, and performs any required voided transactions.

2020-001, continued

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Effect: Failure to maintain adequate segregation of duties exposes the assets of the County to greater risk of misappropriation.

Cause: Segregation of duties could be improved in the Clerk of Court's office.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management has provided a copy of this finding to the appropriate Elected Officials and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

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 grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Oconee County, Georgia's Responses to Findings

Oconee County, Georgia's responses to the findings identified in our audit are described previously. Oconee County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oconee County, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 4, 2020

STATE REPORTING SECTION

OCONEE COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2020

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2004 Referendum</u>					
Water & Sewer Improvements	\$ 6,000,000	\$ 6,970,000	\$ 6,970,000	\$ 0	\$ 6,970,000
Recreational & Cultural Facilities	5,000,000	5,031,350	5,031,350	0	5,031,350
Roads	6,000,000	6,276,264	6,276,264	0	6,276,264
Jail Expansion	1,300,000	1,389,670	1,319,670	70,000	1,389,670
Emergency Operations Center	600,000	681,721	681,721	0	681,721
Fire Station Project	1,500,000	1,500,000	1,500,000	0	1,500,000
County Facilities Expansion and Renovation	4,600,000	4,853,577	1,853,721	2,843,627	4,697,348
Total	\$ 25,000,000	\$ 26,702,582	\$ 23,632,726	\$ 2,913,627	\$ 26,546,353
<u>2009 Referendum</u>					
Recreation Facilities - General Obligation Debt Retirement	\$ 4,847,985	\$ 4,053,402	\$ 4,053,402	\$ 0	\$ 4,053,402
County Jail and Emergency Operation Center - 911	6,059,981	5,857,522	5,857,522	0	5,857,522
Water & Sewer Facilities	6,884,176	4,212,355	4,212,355	0	4,212,355
Roads, Streets & Bridges	8,080,020	6,755,704	6,755,704	0	6,755,704
Recreational, Historic and Scenic Facilities	1,110,999	928,906	704,456	8,732	713,188
Fire Station Facilities and Equipment	3,939,014	3,293,401	3,293,401	0	3,293,401
Communication Facilities	3,232,001	3,454,937	3,454,937	0	3,454,937
Farmland Protection	504,984	467,215	422,215	45,000	467,215
City of Watkinsville	3,227,960	2,698,891	2,698,891	0	2,698,891
Town of Bogart	1,616,000	1,351,134	1,351,134	0	1,351,134
Town of North High Shoals	674,680	564,099	564,099	0	564,099
Town of Bishop	222,200	185,781	185,781	0	185,781
Total	\$ 40,400,000	\$ 33,823,347	\$ 33,553,897	\$ 53,732	\$ 33,607,629

OCONEE COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2020

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 Referendum					
Recreation Facilities - General					
Obligation Debt Retirement	\$ 5,592,000	\$ 5,592,000	\$ 2,683,425	\$ 758,085	\$ 3,441,510
Water & Sewer Facilities	12,100,000	12,100,000	3,162,916	111,375	3,274,291
Roads, Streets & Bridges	12,000,000	12,000,000	6,277,535	1,507,190	7,784,725
Farmland Protection	500,000	500,000	339,574	76,000	415,574
Fire Station and Rescue					
Facilities and Equipment	3,019,500	3,019,500	1,377,093	33,900	1,410,993
Civic Center Facilities	1,500,000	1,500,000	12,000	444,441	456,441
Historic and Scenic Facilities	250,000	250,000	0	0	0
Library Facilities	2,000,000	2,000,000	265,178	0	265,178
General County Facilities	2,000,000	2,000,000	776,441	206,734	983,175
Animal Control Facilities	750,000	750,000	17,200	34,800	52,000
Economic Development Facilities	850,000	850,000	0	0	0
Recreational and Park Facilities	3,158,000	3,158,000	2,752,455	0	2,752,455
Law Enforcement Facilities					
and Equipment	3,100,000	3,100,000	2,078,562	45,185	2,123,747
Technology Facilities	475,000	475,000	201,915	27,502	229,417
City of Watkinsville	4,746,500	4,746,500	2,335,837	655,609	2,991,446
Town of Bogart	1,496,000	1,496,000	736,207	206,635	942,842
Town of North High Shoals	1,089,000	1,089,000	535,917	150,418	686,335
Town of Bishop	374,000	374,000	184,053	51,659	235,712
Total	\$ 55,000,000	\$ 55,000,000	\$ 23,736,308	\$ 4,309,533	\$ 28,045,841

Recreation Facilities - General Obligation Debt Retirement
Expenditures Financed by Proceeds of Refunding Bonds 161,039

Total Expenditures and Transfers Out in SPLOST 2015 Capital Projects Fund \$ 4,470,572

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

OCONEE COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
For the fiscal year ended June 30, 2020

<u>State Program Name</u>	<u>Grant Period</u>	<u>Contract Number</u>	<u>State Expenditures</u>	<u>Amount Received</u>	<u>Amount Due from State</u>
Family Connection	07/01/19 to 06/30/20	93-202000129	\$ 50,000	\$ 36,498	\$ 13,502