

PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2021

**NEW ISSUE
(Book-Entry Only)**

**Rating:
Moody's: Aa1
(See "Miscellaneous – Rating" herein)**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation. See APPENDIX B herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds. For a more complete discussion of the tax status of the Series 2021 Bonds and certain other tax consequences relating to the Series 2021 Bonds, see "LEGAL MATTERS – Tax Matters" herein.

\$12,500,000*
OCONEE COUNTY, GEORGIA
General Obligation Bonds, Series 2021

Dated: Date of Issuance.

Due: January 1, as shown on the inside cover hereof.

The Oconee County, Georgia General Obligation Bonds, Series 2021 (the "Series 2021 Bonds") are being issued in fully registered form and in denominations of \$5,000, or any integral multiple thereof, by Oconee County, Georgia (the "County"), a political subdivision of the State of Georgia, for the purpose of (a) financing the acquisition, construction and equipping of administrative facilities for the County and (b) paying the cost of issuing the Series 2021 Bonds. See "PLAN OF FINANCING" herein.

The Series 2021 Bonds are direct and general obligations of the County, and, except to the extent that they may be paid from other revenues of the County (in particular, the Sales Tax described below), are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the County subject to taxation for bond purposes. The Series 2021 Bonds are also payable from the separate account in which are placed the proceeds received by the County from a one percent special purpose sales and use tax (the "Sales Tax"), to the extent it is being collect and is available. See "THE SERIES 2021 BONDS - Security and Sources of Payment for the Series 2021 Bonds" herein.

Interest on the Series 2021 Bonds is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2022. All Series 2021 Bonds bear interest from their date of issuance. See "INTRODUCTION - Description of the Series 2021 Bonds" herein.

The Series 2021 Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). Payment of the principal of and interest on the Series 2021 Bonds will be made by Regions Bank, as the paying agent, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2021 Bonds, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners (as such terms are defined herein) of the Series 2021 Bonds, all as described herein.

The Series 2021 Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2021 BONDS – Redemption" herein.

SEE MATURITY AND RATE OR YIELD SCHEDULES ON THE INSIDE FRONT COVER.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS *NOT* A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2021 Bonds are offered when, as, and if issued by the County and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to the approving opinion of Gray Pannell & Woodward LLP, Athens, Georgia, Bond Counsel. Certain legal matters will be passed on for the County by its counsel, Daniel C. Haygood, Esq., Watkinsville, Georgia and by its disclosure counsel, Gray Pannell & Woodward LLP, Athens, Georgia and for the Underwriter by its counsel, Kozlarek Law, LLC, Greenville, South Carolina. The Series 2021 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York on or about August 10, 2021.

STIFEL

Dated: August __, 2021

* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2021 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND YIELDS*

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2023	\$645,000			
2024	655,000			
2025	665,000			
2026	675,000			
2027	685,000			
2028	695,000			
2029	1,360,000			
2030	1,380,000			
2031	1,405,000			
2032	1,425,000			
2033	1,445,000			
2034	1,465,000			

* Preliminary, subject to change

⁽¹⁾ CUSIP data presented herein has been provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright 2021. American Bankers Association.

OCONEE COUNTY

ELECTED OFFICIALS

Board of Commissioners of Oconee County

John Daniell, *Chairman*
Mark Thomas
Chuck Horton
Amrey Harden
Mark Saxon

ADMINISTRATIVE OFFICIALS

Justin Kirouac, *County Administrator*
Holly Stephenson, *County Clerk*

SPECIAL SERVICES

Auditors

Rushton & Company, LLC
Gainesville, Georgia

County Counsel

Daniel C. Haygood, Esq.
Watkinsville, Georgia

Underwriter

Stifel Nicolaus & Company, Incorporated
Atlanta, Georgia

Bond Counsel and Disclosure Counsel

Gray Pannell & Woodward LLP
Athens, Georgia

Underwriter's Counsel

Kozlarek Law, LLC
Greenville, South Carolina

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from representatives of the County, public documents, records, and other sources which are deemed to be reliable. The Underwriter has provided the following sentence for inclusion in the Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guaranty the accuracy or completeness of such information. The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County since the date hereof.

The Underwriter intends to offer the Series 2021 Bonds to the public initially at the offering prices set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The Underwriter may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 Bonds into investment trusts) at prices lower than the public offering price.

The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2021 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NO REGISTRATION STATEMENT RELATING TO THE SERIES 2021 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY. THE SERIES 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule"), and in effect on the date of this Preliminary Official Statement, this document constitutes a Preliminary Official Statement of the County with respect to the Series 2021 Bonds that has been deemed "final" by the County as of its date except for the omission of no more than the information permitted by the Rule.

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OFFICIAL STATEMENT

of the

OCONEE COUNTY, GEORGIA

relating to its

\$12,500,000*

GENERAL OBLIGATION BONDS, SERIES 2021

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by Oconee County, Georgia (the "County") of \$12,500,000* in aggregate principal amount of its General Obligation Bonds, Series 2021 (the "Series 2021 Bonds").

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2021 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The County

The County, the issuer of the Series 2021 Bonds, is a political subdivision of the State of Georgia. The County is located in the northeastern portion of the State of Georgia (the "State") approximately 6 miles south of Athens, Georgia and 53 miles east of the City of Atlanta, Georgia. For more complete information, see "THE COUNTY" herein.

Security and Sources of Payment for the Series 2021 Bonds

The Series 2021 Bonds are general obligations of the County and, except to the extent that they may be paid from other revenues of the County (in particular, the Sales Tax described below), are payable, as to both principal and interest, from the general funds of the County, including ad valorem taxes which may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the County subject to taxation for bond purposes. The Series 2021 Bonds are also payable from the separate account in which are placed the proceeds received by the County from a special purpose one percent sales and use tax of limited duration (the "Sales Tax") to the extent such Sales Tax is being collected and is available and not used for other County SPLOST Projects (as defined herein).

For more complete and detailed information, see "THE SERIES 2021 BONDS - Security and Sources of Payment for the Series 2021 Bonds," "THE SALES TAX," and "COUNTY AD VALOREM TAXATION" herein.

* Throughout this preliminary official statement, an asterisk indicates that the information is preliminary and subject to change.

Purpose of the Series 2021 Bonds

The proceeds of the Series 2021 Bonds will be used for the purpose of (a) financing the acquisition, construction and equipping of administrative facilities for the County (collectively, the “Projects”) and (b) paying the cost of issuing the Series 2021 Bonds. For more complete information, see “PLAN OF FINANCING” herein.

Description of the Series 2021 Bonds

*Redemption**. The Series 2021 Bonds are subject to optional redemption prior to maturity as described in “THE SERIES 2021 BONDS – Redemption.”

Denominations. The Series 2021 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers and Exchanges. The Series 2021 Bonds will be issued in fully registered form. When in book-entry form, Series 2021 Bonds held by The Depository Trust Company (“DTC”) (or its nominee, Cede & Co.) on behalf of the beneficial owners thereof (the “Beneficial Owners”), are transferable upon delivery to DTC (or its nominee, Cede & Co.) of an assignment executed by the Beneficial Owner or the Beneficial Owner’s duly authorized attorney. When not in book-entry form, ownership of any Series 2021 Bond may be transferred upon surrender of such Series 2021 Bond to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney-in-fact or legal representative, subject to the conditions hereinafter described. When in book-entry form, the Series 2021 Bonds are exchangeable for a like aggregate principal amount of Series 2021 Bonds of the same series and maturity in authorized denominations. See “THE SERIES 2021 BONDS--Registration Provisions; Transfer; Exchange” and “—Book-Entry System of Registration.”

Payments. Interest on the Series 2021 Bonds is payable by check or draft mailed to the registered owner of record as of the December 15 or June 15 immediately preceding the applicable interest payment date. The principal of the Series 2021 Bonds is payable upon the presentation and surrender of the Series 2021 Bonds to Regions Bank, as the payment agent (the “Paying Agent”). For more complete information, see “THE SERIES 2021 BONDS – Description” herein.

Payment of the principal of and interest on Series 2021 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants and thereafter to Beneficial Owners of the Series 2021 Bonds.

When not in book-entry form, the principal shall be paid only upon surrender of the Series 2021 Bonds at the principal corporate trust office of the Paying Agent. When not in book-entry form, the interest on the Series 2021 Bonds shall be paid to the person in whose name such Series 2021 Bonds are registered at the close of business on the Record Date by check or draft, drawn on the Paying Agent, and mailed, by first class mail, postage prepaid, to such person at the address on the books of registry kept by the Bond Registrar. Notwithstanding the foregoing, interest on the Series 2021 Bonds is payable to any registered owner of more than \$1,000,000 in aggregate principal amount of Series 2021 Bonds by wire transfer to such registered owner if written wire transfer instructions are given to the Paying Agent prior to the Record Date. Interest shall continue to be so paid until such wire transfer instructions are revoked in writing.

For a more complete description of the Series 2021 Bonds, see “THE SERIES 2021 BONDS” herein.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, under existing laws, regulations and judicial decisions, and assuming continued compliance by the County with certain covenants, interest on the Series 2021 Bonds (including any original issue discount properly allocable to a holder thereof) is exempt from present State of Georgia income taxation, is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal individual tax. See Appendix B for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds.

For more complete discussion of such opinion and certain other tax consequences of owning the Series 2021 Bonds, including certain exceptions to the exclusion of the interest of the Series 2021 Bonds from gross income, see “LEGAL MATTERS – Tax Matters; – Original Issue Discount; and – Premium Bonds” herein.

Bond Registrar and Paying Agent

Regions Bank will act as bond registrar and as paying agent for the Series 2021 Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the County and its authorization and issuance of the Series 2021 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Athens, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2021 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix B. Certain legal matters will be passed on for the County by its counsel, Daniel C. Haygood, Esq., Watkinsville, Georgia, and its disclosure counsel, Gray Pannell & Woodward LLP, Athens, Georgia. Certain legal matters will be passed on for the Underwriter by its counsel, Kozlarek Law, LLC, Greenville, South Carolina. The general purpose financial statements of the County as of June 30, 2020 and for the year then ended, attached hereto as Appendix A, have been audited by Rushton & Company, LLC, Gainesville, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon which appears in Appendix A hereto. See “MISCELLANEOUS - Experts” herein.

Authority for Issuance

The Series 2021 Bonds are being issued in accordance with the Constitution of the State of Georgia and pursuant to the authority granted by the laws of the State of Georgia and a resolution of the Board of Commissioners of the County authorizing the issuance of the Series 2021 Bonds to be adopted on or about August 3, 2021 (the “Bond Resolution”). The issuance of the Series 2021 Bonds was approved by a majority vote of voters in the County voting in an election held on November 3, 2020. For more complete information, see “THE SERIES 2021 BONDS - Authority for Issuance” herein.

Offering and Delivery of the Series 2021 Bonds

The Series 2021 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice and to the approval of legality by Gray Pannell & Woodward LLP, bond counsel. The Series 2021 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York on or about August 10, 2021.

Continuing Disclosure

The County has covenanted for the benefit of the owners of the Series 2021 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) certain financial information and operating data relating to the County (the “Operating and Financial Data”) annually and (b) notices of the occurrence of certain events (the “Events Notices”). The Operating and Financial Data and the Events Notices will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB). The County’s undertaking to provide Operating and Financial Data and Events Notices pursuant to the Disclosure Certificate is described in Appendix C. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The County has entered into previous continuing disclosure agreements with respect to the Rule (the “Prior Undertakings”). There have been occurrences over the last five years during which the County has failed to timely comply with its obligations under the Prior Undertakings, as follows:

- (1) The County filed its audited financial statements for fiscal year 2019 on January 2, 2020 (6 days late), its audited financial statements for fiscal year 2018 on January 4, 2019 (8 days late), its audited financial statements for fiscal year 2017 on January 2, 2018 (6 days late) and its audited financial statements for fiscal year 2016 on February 6, 2017 (41 days late). Despite the late filings described here, the County timely filed its unaudited financial statements along with notice of late filings for each year.

(2) The County failed to include the Largest Taxpayers in the timely filed operating data for fiscal year 2017 for certain bond issues, filing the additional information on February 9, 2018 (44 days late).

Other than as discussed above, the County has materially complied with all Prior Undertakings made pursuant to the Rule for the past five years.

Pursuant to written procedures approved by the Board of Commissioners of the County on June 30, 2015, the County implemented additional internal written procedures designed to insure that future annual reports, including annual reports relating to the Series 2021 Bonds, will be filed on a complete and timely basis. Also, Digital Assurance Certification, L.L.C. (DAC) will serve as the continuing disclosure dissemination agent for the County.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the County, the Series 2021 Bonds, and the security and sources of payment for the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2021 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Disclosure Certificate, and other documents and information are available upon request prior to the delivery of the Series 2021 Bonds from Stifel Nicolaus & Company, Incorporated, 3630 Peachtree Road NE Suite 400, Atlanta, Georgia 30326, telephone: (404) 504-2760 and after delivery of the Series 2021 Bonds, upon payment to the County of a charge for copying, mailing, and handling, from Wes Geddings, Oconee County, Georgia, PO Box 145, 23 North Main Street, Watkinsville, Georgia 30677, telephone (706) 769-2944.

The Series 2021 Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the County. Except where otherwise indicated, all information contained in this Official Statement has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by the County. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

PLAN OF FINANCING

Estimated Sources and Applications of Funds*

The sources and applications of funds in connection with the issuance of the Series 2021 Bonds are estimated below.

Estimated Sources of Funds:

Par Amount of Series 2021 Bonds	\$12,500,000*
[Plus/less]: Net Original Issue [Premium/Discount]	
Total Sources of Funds	

Estimated Applications of Funds:

Deposit to 2021 Project Fund
Cost of Issuance ⁽¹⁾
Total Applications of Funds

⁽¹⁾ Includes Underwriter's discount, legal and accounting fees, rating agency fees, printing and engraving costs, validation court costs and other costs of issuance.

Plan of Financing

A qualified election was held on November 3, 2020, in all of the election districts of Oconee County, Georgia (the "Election"), whereby the qualified voters thereof approved the issuance of up to \$12,500,000 in principal amount of Oconee County, Georgia General Obligation Bonds (the "Debt") for the purposes of providing funds for (a) paying the costs of the acquisition, construction, and equipping of a library and administrative facilities and (b) paying the costs of issuing the Debt.

The Series 2021 Bonds constitute all of the Debt authorized to be issued pursuant to the Election, and the proceeds of the Series 2021 Bonds, net of issuance costs, will be used for the purpose of financing the acquisition, construction and equipping of the County's administrative facilities (the "Projects"). The expected completion date of the Projects is December 31, 2023.

Change of Use of Bond Proceeds

The notice of the election regarding the issuance of the Debt stated that the Debt is being issued for the purpose of providing funds for financing the acquisition, construction, and equipping of the Projects. Section 36-82-4.2 of the Official Code of Georgia Annotated allows the Board of Commissioners of the County, subsequent to the issuance of the Series 2021 Bonds, to adopt a resolution by a two-thirds' majority vote of the Board of Commissioners declaring that (1) a portion of the proceeds of the Series 2021 Bonds remain after the purpose stated in the election notice has been accomplished, (2) the purpose stated in the election notice is no longer necessary, or (3) circumstances have changed such that expenditure of all or part of the proceeds of the Series 2021 Bonds is no longer practicable or feasible. Such resolution must (a) set forth the reason the proceeds of the Series 2021 Bonds were not expended for the purpose stated in the election notice and (b) state the purpose for which the proceeds of the Series 2021 Bonds will be expended. Upon the adoption of such a resolution, the Board of Commissioners of the County will be authorized to expend such proceeds of the Series 2021 Bonds, including interest earnings thereon, for purposes of a nature substantially similar to the purpose stated in the election notice or to reduce the bonded indebtedness of the County; provided the County, not earlier than ten days prior to expending such Bond proceeds, publishes the resolution described above once in the official Oconee County organ. In addition, the County must send a copy of the resolution described above by registered or certified mail to the Paying Agent for the Series 2021 Bonds.

THE SERIES 2021 BONDS

Description

The Series 2021 Bonds, as initially issued, will be dated as of their date of issuance, and will bear interest at the rates specified on the inside front cover of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on each January 1 and July 1, commencing January 1, 2022.

Payment of the principal of and interest on the Series 2021 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants and thereafter Beneficial Owners of the Series 2021 Bonds. See “THE SERIES 2021 BONDS - Book-Entry System of Registration” herein.

When not in book-entry form, the principal of the Series 2021 Bonds is payable upon the presentation and surrender of the Series 2021 Bonds at the corporate trust office of Regions Bank, as paying agent (the “Paying Agent”). Interest on the Series 2021 Bonds is payable by check or draft mailed by first class mail to the registered owner of record as of the December 15 or June 15 immediately preceding the applicable interest payment date, at such owner’s address as it appears on the bond registration books of the County maintained by Regions Bank, as bond registrar (the “Bond Registrar”). Prior to any record date, any owner of Series 2021 Bonds in an aggregate principal amount of more than \$1,000,000, by written instructions filed with the Paying Agent, may instruct that interest payments be made by wire transfer. Interest shall continue to be so paid until such wire instructions are revoked in writing.

Redemption

*Optional Redemption**

The Series 2021 Bonds maturing on and after January 1, 20____ are redeemable at the option of the County, in whole or in part at any time on or after January 1, 20____, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds being redeemed plus accrued interest to the redemption date.

Partial Redemption of Series 2021 Bonds

In the event of a partial redemption of the Series 2021 Bonds, the particular maturity or maturities to be redeemed shall be selected by the County. If less than all of the Series 2021 Bonds of a maturity are to be called for redemption, the particular certificates of such maturity or portions thereof in the case of certificates in principal amounts greater than \$5,000 to be redeemed shall be selected by lot in such manner as may be designated by DTC, when in book-entry form and by the Paying Agent, when not in book-entry form.

Notice of Redemption

Notice of the call for any redemption, identifying the Series 2021 Bonds (or the portions thereof) to be prepaid and specifying the terms of such redemption, will be mailed, by first class mail, to the owners of the Series 2021 Bonds to be prepaid (in whole or in part) at their addresses appearing on the bond register maintained by the Bond Registrar not more than 60 days nor less than 30 days prior to the redemption date; provided, however, that failure to give such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in the Bond Resolution will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Bond Registrar moneys sufficient to redeem all Series 2021 Bonds called for redemption, which moneys are or will be available for redemption of Series 2021 Bonds, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

On or prior to the date fixed for any redemption of Series 2021 Bonds the moneys required for such redemptions are to be deposited by or on behalf of the County. All Series 2021 Bonds called for redemption will cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Paying Agent.

Security and Sources of Payment for the Series 2021 Bonds

The Series 2021 Bonds will constitute valid and legally binding general obligations of the County, and unless paid from other sources (in particular, the Sales Tax, See “THE SALES TAX” herein), the principal of and interest on the Series 2021 Bonds will be payable from the general funds of the County, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the County subject to taxation for bond purposes, including real and personal property, privately owned utilities, motor vehicles, and mobile homes.

The Sales Tax proceeds received in any year pursuant to the imposition of the Sales Tax may be used to pay debt service on the on the Series 2021 Bonds, to the extent such Sales Tax is being collected and is available and not used for other County SPLOST Projects (as defined herein). The proceeds received by the County from the Sales Tax will be deposited in a special segregated fund (the “Sales Tax Fund”).

The County, as required by law, will levy an ad valorem tax on all taxable property within the County subject to taxation for bond purposes in an amount sufficient to pay the principal of and interest on the Series 2021 Bonds as the same become due and payable.

See “COUNTY DEBT STRUCTURE” herein for a discussion of the County’s outstanding debt and legal ability to incur future indebtedness. See “THE SALES TAX” and “COUNTY AD VALOREM TAXATION” herein for a discussion of the Sales Tax and County ad valorem taxation.

Limitation on Enforceability of Remedies. The realization of value from the pledge of the taxing power of the County to the payment of the Series 2021 Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2021 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Registration Provisions; Transfer; Exchange

The Series 2021 Bonds will be issued only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The County, the Bond Registrar and the Paying Agent may deem and treat the registered owner as the absolute owner of such Series 2021 Bond for purposes of receiving payment of or on account of principal, premium (if any) and the interest payable thereon, and for all other purposes; the County, the Bond Registrar and the Paying Agent will not be affect by any notice to the contrary.

When in book-entry form, Series 2021 Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, are transferable upon delivery to DTC or Cede & Co., as its nominee, of an assignment executed by the Beneficial Owner or the Beneficial Owner’s duly authorized attorney. See “Book-Entry System of Registration.”

When not in book-entry form, ownership of any Series 2021 Bond is transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Series 2021 Bond or Series 2021 Bonds registered in the name of the transferee in any authorized denomination in the same aggregate principal amount, maturity, and

interest rate as the Series 2021 Bonds surrendered for such transfer. When not in book-entry form, the Series 2021 Bonds may be exchanged for a like principal amount of Series 2021 Bonds of the same maturity and interest rate of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2021 Bonds.

Book-Entry Only System

The Series 2021 Bonds will be issued only as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The County and the Paying Agent may deem and treat the registered owner as the absolute owner of such Series 2021 Bonds for purposes of receiving payment of or on account of principal and interest payable thereon, and for all other purposes; the County and the Paying Agent will not be affected by any notice to the contrary.

When in book-entry form, the purchasers of the Series 2021 Bonds (the “Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2021 Bonds. Instead, such Series 2021 Bonds will be held by a securities depository, initially The Depository Trust Company (“DTC”) and registered in the name of DTC or its nominee, Cede & Co. Any transfer or exchange of the ownership interest in Series 2021 Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants in the manner described herein under “THE SERIES 2021 BONDS – Book-Entry System of Registration.”

When not in book-entry form, ownership of any Series 2021 Bond may be registered as transferred upon surrender thereof to the Paying Agent, as bond registrar, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Paying Agent, as bond registrar. Upon any such registration of transfer, the Paying Agent, as bond registrar, will cause to be authenticated and delivered a new Series 2021 Bond or Series 2021 Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount and interest rate as the Series 2021 Bonds surrendered for such transfer. When not in book-entry form, the Series 2021 Bonds may be exchanged for a like principal amount of Series 2021 Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Paying Agent, as bond registrar, may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2021 Bonds.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2021 Bonds, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17 A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. Bond brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. Securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has

Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and redemption proceeds on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from The County or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the Series 2021 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the County or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, securities certificates are required to be printed and delivered.

The County may, at any time, decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, certificated Series 2021 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither of the County, the Underwriter nor the Paying Agent will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participants or Indirect Participants; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2021 Bonds; (iii) the delivery by any such Direct Participant or Indirect Participants of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to the holders of the Series 2021 Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2021 Bonds; or (v) any consent given or other action taken by DTC as holder of the Series 2021 Bonds.

Authority for Issuance

Paragraph 1(a) of Section V of Article IX of the Constitution of the State of Georgia provides (1) that no political subdivision may incur any new debt without the assent of a majority of the qualified voters of such political subdivision voting in an election held for that purpose as provided by law and (2) that the debt incurred by any political subdivision may never exceed 10 percent of the assessed value of all taxable property within such political subdivision. Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires a political subdivision, at or before the time of incurring bonded indebtedness, to provide for the assessment and collection of an annual tax sufficient in amount to pay the principal of and interest on the debt within 30 years from its incurrence.

The Series 2021 Bonds were authorized to be issued pursuant to an election in the County held on November 3, 2020 (the "Election"), called under a resolution adopted by the Board of Commissioners of the County on July 28, 2020, and are being issued pursuant to the authority granted by (i) Article I of Chapter 82 of Title 36 of the Official Code of Georgia Annotated and (ii) a resolution to be adopted by the Board of Commissioners of the County on or about August 3, 2021 (the "Bond Resolution"). The resolution calling the election and the notice of the election stipulated an interest rate for the Series 2021 Bonds not exceeding 5.50% per annum. The canvass of the election showed 16,102 "Yes" votes and 7,811 "No" votes, an approximately 67% approval by those who voted in the election.

Disbursement and Investment of Bond Proceeds and Other Moneys

The proceeds of the sale of the Series 2021 Bonds will be held by and under the control of the County and will be disbursed by the County, as the County desires, to pay the costs of issuing the Series 2021 Bonds and the costs of the Projects described in "PLAN OF FINANCING – Plan of Financing" herein.

Section 36-82-7 of the Official Code of Georgia Annotated provides that the proceeds of the Series 2021 Bonds may be invested and reinvested in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;
- (2) Bonds or obligations of such county, municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) Bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(4) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(5) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(6) Certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies and instrumentalities of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) The portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (3) and (4) above and repurchase agreements fully collateralized by any such obligations;

(B) Such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) Such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) Securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the

Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

- (9) Any other investments authorized by the laws of the State of Georgia.

The portion of the certificates of deposit described in clause (6) above in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in clause (2) above, obligations of the agencies of the United States government described in clause (3) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in clause (4) above.

In addition, Section 36-83-4(a)(1) of the Official Code of Georgia Annotated authorizes the governing authority of the County, or the financial officer of the County to whom investment authority is delegated, to invest and reinvest any money subject to its control and jurisdiction in:

- (1) obligations of the State of Georgia or of other states;
- (2) obligations issued by the United States government;
- (3) obligations fully insured or guaranteed by the United States government or a United States government agency;
- (4) obligations of any corporation of the United States government;
- (5) prime bankers' acceptances;
- (6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated;
- (7) repurchase agreements; and
- (8) obligations of other political subdivisions of the State of Georgia.

Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires the proceeds of the tax assessed and collected to pay the principal of and interest on the Series 2021 Bonds, together with any other moneys collected for this purpose, to be placed in a sinking fund to be used exclusively for paying the principal of and interest on the Series 2021 Bonds and to be held and kept separate and apart from all other revenues collected by the County.

Section 36-80-3 of the Official Code of Georgia Annotated provides that the governing body of the County, or the financial officer of the County to whom investment authority is delegated pursuant to Section 36-80-4 of the Official Code of Georgia Annotated, may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the United States and of its agencies and instrumentalities;
- (2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and
- (3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of

Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Section 45-8-14 of the Official Code of Georgia Annotated provides that the Board of Commissioners of the County designate one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations as depositories of moneys belonging to the funds of the County.

Section 45-8-12 of the Official Code of Georgia Annotated prohibits the County from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, with a market value of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Section 45-8-11 of the Official Code of Georgia Annotated allows the Chairman of the Board of Commissioners or the finance officer of the County, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The County presently deposits its general funds and plans to deposit the proceeds of the sale of the Series 2021 Bonds with Oconee State Bank, Watkinsville, Georgia. The County may, in its discretion, but subject to the provisions of Georgia law described in the above paragraph, deposit these funds with other financial institutions.

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Principal and Interest Requirements

Set forth below are the principal and interest payment requirements with respect to the Series 2021 Bonds, compared to the principal and interest payment requirements with respect to the outstanding obligations of the County, for the years shown below, assuming the issuance of the Series 2021 Bonds. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory redemption amount is used.

Fiscal Year Ending June 30	Oconee County Industrial Development Authority ⁽¹⁾			Water and Sewer Authorities Bonds ⁽²⁾			Series 2021 Bonds*			Combined Total Debt Service Requirements*
	Principal	Interest	Total Debt Service Requirements	Principal	Interest	Total Debt Service Requirements	Principal	Interest	Total Debt Service Requirements	
2022	\$1,020,000	\$161,961	\$1,181,961	\$1,059,064	\$823,164	\$1,882,228	\$--			
2023	1,085,000	138,924	1,223,924	1,104,783	778,910	1,883,693	645,000			
2024	1,110,000	119,718	1,229,718	1,148,646	730,277	1,878,923	655,000			
2025	1,125,000	99,953	1,224,953	1,203,557	677,863	1,881,420	665,000			
2026	1,140,000	79,955	1,219,955	1,258,708	619,677	1,878,386	675,000			
2027	630,000	65,938	695,938	1,317,003	556,822	1,873,825	685,000			
2028	640,000	58,063	698,063	1,518,441	493,486	2,011,927	695,000			
2029	645,000	50,063	695,063	905,000	442,400	1,347,400	1,360,000			
2030	3,690,000	730,105	4,420,105	--	--	--	1,380,000			
2031	3,765,000	619,013	4,384,013	--	--	--	1,405,000			
2032	3,850,000	505,326	4,355,326	--	--	--	1,425,000			
2033	3,935,000	403,018	4,338,018	--	--	--	1,445,000			
2034	3,260,000	298,175	3,558,175	--	--	--	1,465,000			
2035	1,145,000	201,400	1,346,400	--	--	--	--			
2036	1,250,000	155,600	1,405,600	--	--	--	--			
2037	1,295,000	105,600	1,400,600	--	--	--	--			
2038	<u>1,345,000</u>	<u>53,800</u>	<u>1,398,800</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>			
Totals	<u>\$10,755,000</u>	<u>\$901,636</u>	<u>\$11,656,636</u>	<u>\$19,670,203</u>	<u>\$7,276,598</u>	<u>\$26,946,801</u>	<u>\$12,500,000</u>			

* Preliminary, subject to change

⁽¹⁾ Includes intergovernmental contracts with the Oconee County Industrial Development Authority for the Oconee County Industrial Development Authority Taxable Revenue Bonds (Economic Development Projects), Series 2012 (the "Series 2012 Bonds"), the Oconee County Industrial Development Authority Revenue Bond (Oconee County Economic Development Project), Series 2016, and the Oconee County Industrial Development Authority Taxable Refunding Revenue Bond (Economic Development Project), Series 2020 (the "Series 2020 Bond"). Under the intergovernmental contracts for the Series 2012 Bonds and the Series 2020 Bond, the County has agreed to levy and collect an annual tax on all taxable property located within the County as may be necessary to produce in each year revenues which are sufficient to make the payments required by such contracts; provided, however, that such tax shall not exceed one mill per dollar, or such greater millage as may hereafter be prescribed by applicable law, upon the assessed value of taxable property in the County in accordance with O.C.G.A. §48-5-220(20).

⁽²⁾ Includes intergovernmental contracts with the Walton County Water and Sewerage Authority for the Walton County Water and Sewerage Authority Refunding Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2015 and the Walton County Water and Sewerage Authority Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2016 (collectively, the “Hard Labor Creek Bonds”). It is intent that the principal and interest on the Hard Labor Creek Bonds will be paid from the revenues of the County’s water and sewer system. The County will not collect ad valorem taxes to pay the Hard Labor Creek Bonds unless the revenues of the water and sewer system are insufficient. Includes intergovernmental contracts with the Upper Oconee Basin Water Authority in connection with the Upper Oconee Basin Water Authority Revenue Bonds, Series 2015A (the “UOBWA Series 2015A Bonds”) and the Upper Oconee Basin Water Authority Taxable Revenue Bonds, Series 2015B (the “OUBWA Series 2015B Bonds” and, together, with the UOBWA Series 2015A Bonds, the “UOBWA Bonds”). The County is obligated to pay 20.929% of the debt service for the UOBWA Bonds. It is intent that the principal and interest on the UOBWA Bonds will be paid from the revenues of the Upper Oconee Basin Water Authority’s respective water systems. The County will not collect ad valorem taxes to pay the UOBWA Bonds unless the revenues of the respective water systems are insufficient.

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THE COUNTY

Introduction

The County is a political subdivision of the State of Georgia created by the Constitution of the State of Georgia in 1875. The County encompasses 186 square miles and, in addition to Watkinsville, includes the municipalities of Bogart, Bishop and North High Shoals. The City of Watkinsville is the County seat. Watkinsville is located approximately 6 miles south of Athens and 53 miles east of the City of Atlanta. It is bordered by Athens-Clarke, Oglethorpe, Morgan, Greene and Walton Counties.

The County is governed by, and generally acts through, a Board of Commissioners consisting of five-members, who are elected at large and serve staggered four-year terms. Information concerning the current members of the Board of Commissioners is set forth below:

<u>Member</u>	<u>Occupation</u>	<u>Expiration of Term of Office</u>
John Daniell, <i>Chairman</i>	Chairman, Board of Commissioners	December 31, 2024
Mark Saxon	Retired – U.S. Army	December 31, 2024
Mark Thomas	Businessman	December 31, 2024
Chuck Horton	Government official and Retired Police Chief	December 31, 2022
Amrey Harden	Retired, Bank President	December 31, 2022

Services

The County provides a full range of services to its citizens, including garbage collection, parks and recreation, water supply, sewer treatment, and roads and infrastructure maintenance. All services, except for water supply and sewer treatment, and components of solid waste and civic center are paid primarily by tax revenues.

Employees, Employer Relations and Labor Organizations

The County employs approximately 255 full-time and 280 part-time and seasonal persons in all departments of the government. No employees of the County are represented by labor organizations or are covered by collective bargaining agreements, and the County is not aware of any union organization efforts at the present time.

Demographic Information

The following information is provided to give prospective investors an overview of certain demographic information of the County. These statistics have not been adjusted to reflect population or economic trends and are not to be relied upon as a representation or guarantee of the County.

Population

The following table reflects the population estimates for the County, the State and the United States for the years ended December 31, 2015 through 2019 (the most current published data).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2019	40,280	10,617,423	328,239,523
2018	39,478	10,511,131	326,687,501
2017	38,122	10,410,330	324,985,539
2016	36,929	10,301,890	322,941,311
2015	35,853	10,178,447	320,635,163

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Income

The following table reflects the estimated per capita income figures for the County, the State of Georgia and the United States for the years ended December 31, 2015 through 2019 (the most current published data).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2019	\$67,845	\$48,188	\$56,744
2018	66,430	46,921	54,581
2017	63,844	44,865	52,096
2016	59,760	42,868	49,995
2015	59,322	41,784	49,003

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Median Home Value

The following table shows the estimate median home value for the County, the State and the United States for the calendar years 2015 through 2019 (the most current published data).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2019	\$286,600	\$202,500	\$240,500
2018	268,100	189,900	229,700
2017	252,000	173,700	217,600
2016	242,000	166,800	205,000
2015	235,700	159,300	194,500

Source: U.S. Bureau of Census; American Community Survey 5- Year Estimates

Labor Statistics

The following table reflects the total labor force in the County, together with the unemployment rates for the County, the State of Georgia and the United States for the years ended December 31, 2015 through 2019.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County Labor Force	17,571	18,445	19,432	19,976	19,510
County Unemployment Rate	4.4%	4.1%	3.5%	2.9%	2.5%
State Unemployment Rate	6.1%	5.4%	4.8%	4.0%	3.5%
United States Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%

Source: Georgia Department of Labor, Workforce Information & Analysis, Local Area Unemployment Statistics Unit.

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Building Permits Summary

Set forth below are the numbers of residential and commercial building permits and the value of those permits for the years 2016 through 2021 (the most current published data).

Year	Residential		Commercial	
	Number	Value	Number	Value
2021	248	\$136,529,205	106	\$14,928,173
2020	260	142,967,982	87	43,444,201
2019	240	93,867,055	104	82,924,566
2018	317	117,867,055	143	38,362,967
2017	335	133,803,270	141	46,223,734
2016	400	101,553,848	80	26,668,035

Source: Oconee County Code Enforcement.

Category of Land Use

Set forth below are the types of land use within the County for the last five years, computed based on the number of acres of real property in the County of the various categories for ad valorem property tax purposes.⁽¹⁾

Year	Residential	Agricultural	Commercial	Industrial	Conservation ⁽²⁾	Other ⁽³⁾
2019	17.78%	13.36%	2.12%	0.67%	65.13%	0.95%
2018	17.95	12.32	2.14	0.67	66.18	0.74
2017	17.84	11.79	2.27	0.65	64.72	2.72
2016	18.37	11.57	2.33	0.64	65.84	1.25
2015	20.12	10.81	2.54	0.70	63.47	2.34

⁽¹⁾ Percentages are based on the number of acres of real property set aside for each purpose. The total acreage of all real property subject to ad valorem taxation located in Oconee County is approximately 107,325 acres. This figure does not include the acreage of real property that is exempt from ad valorem property taxation. See “AD VALOREM TAXATION – Property Subject to Taxation.”

⁽²⁾ A large proportion of amounts constituting real property on Oconee County’s general tax digest is designated as Conservation Use property. See “AD VALOREM TAXATION – Conservation Use Property.”

⁽³⁾ Includes forest land, timber 100% and preferential.

Source: Georgia Department of Revenue, Tax Digest Consolidated Summary.

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Ten Largest Employers

Set forth below are the ten largest employers located in the County as of April 5, 2021, their industries and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial conditions of the companies listed below.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
1. Oconee County School District	Government – Education	873
2. Oconee County	Government	434
3. Walmart SuperCenter	Retail	375
4. Benson’s Bakery	Retail	300
5. Zaxby’s Franchising Inc.	Franchisor & Licensor	300
6. Kroger	Grocery Store	240
7. Board of Regents of University System of Georgia	Government - Education	200
8. University of North Georgia	Government – Education	175
9. Texas Roadhouse	Restaurant	175
10. Lowe’s Home Improvement Warehouse	Retail	165

Source: Oconee County Industrial Development Authority.

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Industry Mix

The following table shows the industry mix for the County area for the fourth quarter of 2020, the latest information available. The table is intended to provide information regarding the types of industries employing residents of the County and the compensation paid to those employees. The table does not provide information with respect to all industries and firms. It is based upon and includes only those industries and firms that participate in the State Unemployment Insurance Program.

<u>Industry</u>	<u>Number of Firms</u>	<u>Average Monthly Employment</u>	<u>Average Weekly Wages</u>
Agriculture, Forestry, Mining, Quarrying	25	222	\$873
Mining	2	**	**
Construction	137	646	1,070
Manufacturing	41	689	1,117
Services:			
Utilities	2	**	**
Wholesale Trade	49	1,192	1,117
Retail Trade	104	1,901	602
Transportation and Warehousing	16	108	1,108
Information	14	99	926
Finance and Insurance	98	401	1,517
Real Estate and Rental and Leasing	73	181	1,045
Professional Scientific/Technical Services	178	849	1,412
Management of Companies and Enterprises	4	539	3,442
Administrative and Waste Services	90	838	806
Educational Services	24	639	681
Health Care and Social Services	150	1,502	1,206
Arts, Entertainment, and Recreation	20	**	**
Accommodation and Food Services	71	1,426	316
Other Services (except government)	79	508	912
Unclassified – industry not assigned	63	47	1,424
Federal Government	8	66	1,227
State Government	6	30	452
Local Government	<u>16</u>	<u>1,559</u>	<u>848</u>
Total All Industries	1,270	13,564	\$1,005

Source: Georgia Department of Labor.

** Denotes confidential data relating to individual employers and cannot be released.

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Banking Deposits

The following table contains the number of banking institutions and the total banking deposits held within the County (in thousands) for all FDIC-insured institutions in the County for the last five fiscal years ended June 30 (the most current information available).

<u>Year</u>	<u>Institutions</u>	<u>Deposits</u>
2020	11	\$1,237,257
2019	12	1,052,529
2018	10	959,286
2017	8	902,832
2016	9	802,433

Source: Federal Depository Insurance Corporation.

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COUNTY FINANCIAL INFORMATION

Accounting System and Policies

The County is required by Georgia law to prepare and adopt an annual budget for the conduct of the County's affairs. The budget is prepared annually for review by the Board of Commissioners of the County. The Board of Commissioners of the County adopts the budget prior to the beginning of the fiscal year. A financial reporting system which provides timely and accurate reporting of revenues and expenses is used by the County.

Note 2 of the financial statements of the County included as Appendix A contains a detailed discussion of the County's significant accounting policies.

Five Year General Fund History

Set forth below is an historical, comparative summary of the revenues, expenditures, and changes in fund balance of the County's General Fund for the past five fiscal years. Information in the following table for fiscal years 2016 to 2020 has been extracted from audited financial statements of the County for the years ended June 30, 2016 to 2020. The audit reports on each of these financial statements were qualified because of certain variances from generally accepted accounting principles, as described in the audit reports. See "COUNTY FINANCIAL INFORMATION -Accounting System and Policies" herein. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the County for the fiscal years shown. For more complete information, reference is made to the audited financial statements, copies of which are available from the County upon request.

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Oconee County, Georgia
General Fund History

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
REVENUES					
Taxes	\$21,005,700	\$21,868,005	\$23,604,653	\$25,503,140	\$27,747,203
Licenses and Permits	746,715	780,751	843,434	808,598	746,876
Intergovernmental	1,236,635	3,019,859	711,091	1,133,842	1,365,252
Charges for Services	2,486,982	2,594,752	2,652,279	2,876,540	2,579,725
Fines and Forfeitures	326,433	434,606	496,027	544,363	505,697
Investment Income	27,287	33,449	91,626	208,991	116,182
Contributions and Donations	2,429	6,596	210	9,220	4,052
Miscellaneous Income	143,786	137,640	99,439	144,558	138,089
Total Revenues	<u>25,975,968</u>	<u>28,875,658</u>	<u>28,498,759</u>	<u>31,229,252</u>	<u>33,203,076</u>
EXPENDITURES					
General Government	5,105,291	5,195,908	5,452,293	5,502,219	5,352,807
Judicial	1,702,998	1,839,504	2,036,288	2,034,250	2,002,638
Public Safety	7,174,260	7,355,422	8,880,033	9,534,257	8,832,246
Public Works	3,837,796	6,750,818	3,896,991	7,341,614	4,995,208
Health and Welfare	249,123	287,883	310,862	318,618	326,622
Culture and Recreation	3,031,746	3,177,049	3,134,160	3,469,835	3,354,909
Housing and Development	1,311,069	1,154,225	1,119,909	1,109,210	1,161,406
Debt Service:					
Principal	415,000	425,000	870,000	953,030	973,870
Interest	22,981	392,866	358,402	338,997	319,707
Total Expenditures	<u>22,850,264</u>	<u>26,578,675</u>	<u>26,058,938</u>	<u>30,602,030</u>	<u>27,319,413</u>
Revenue Over (Under) Expenditures	<u>3,125,704</u>	<u>2,296,983</u>	<u>2,439,821</u>	<u>627,222</u>	<u>5,883,663</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Long-Term Debt	--	--	--	48,810	--
Proceeds from Sale of Capital	64,193	46,835	1,823,035	13,988	1,400
Operating Transfer In	82,500	32,500	353,646	15,226	15,447
Operating Transfers Out	(2,169,624)	(2,136,318)	(1,877,574)	(2,556,221)	(2,569,530)
Total Other Financing (Uses)	<u>(2,022,931)</u>	<u>(2,056,983)</u>	<u>299,107</u>	<u>(2,478,197)</u>	<u>(2,552,683)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>1,102,772</u>	<u>240,000</u>	<u>2,738,928</u>	<u>(1,850,975)</u>	<u>3,330,980</u>
FUND BALANCE, beginning of year	<u>9,718,748</u>	<u>10,821,520</u>	<u>11,061,520</u>	<u>13,800,448</u>	<u>11,949,473</u>
FUND BALANCE, end of year	<u>\$10,821,520</u>	<u>\$11,061,520</u>	<u>\$13,800,448</u>	<u>\$11,949,473</u>	<u>\$15,280,453</u>

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Budget

Set forth below is a summary of the County's adopted budgets for its General Fund for the years ending June 30, 2021 and June 30, 2022. These budgets are based upon certain assumptions and estimates of the County regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the County of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budgets set forth below.

Adopted General Fund Budget		
Fiscal Years Ending June 30, 2021 and June 30, 2022		
(Non-GAAP Budgetary Basis of Accounting)		
	<u>2021</u>	<u>2022</u>
Revenues:		
Taxes	\$26,168,450	\$28,750,399
Licenses and Permits	645,850	694,600
Intergovernmental	776,131	697,400
Charges for Services	2,750,848	2,023,425
Fines and Forfeitures	454,000	416,100
Investment Income	75,000	11,188
Contribution and Donations	--	750
Miscellaneous	76,067	72,367
Total Revenues	<u>\$30,946,346</u>	<u>\$32,666,229</u>
Expenditures:		
General Government	\$5,840,923	\$6,288,998
Judicial	2,168,129	2,228,794
Public Safety	9,454,162	9,577,123
Public Works	4,530,645	4,959,589
Health and Welfare	329,203	338,973
Culture and Recreation	3,813,675	3,532,747
Housing and Development	2,362,374	2,389,495
Total Expenditures	<u>\$28,499,111</u>	<u>\$29,315,719</u>
Excess Revenues Over (Under) Expenditures:	\$2,447,235	\$3,350,510
Other Financing Sources (Uses):		
Other Financing Sources	\$301,546	\$25,000
Other Financing Uses	(2,748,781)	(3,375,510)
Total Other Financing Sources (Uses)	<u>\$(2,447,235)</u>	<u>\$(3,350,510)</u>
Net Change in Fund Balance:		
Fund Balance, Beginning of Year	\$15,280,453	\$15,280,453
Fund Balance, End of Year	\$15,280,453	\$15,280,453

The County has not conformed to its General Fund budget in many instances for the fiscal years ended June 30, 2016 through 2020. Set forth below is a summary of unfavorable variances between budgeted and actual amounts for the fiscal years ended June 30, 2016 through 2020.

GENERAL FUND UNFAVORABLE VARIANCES
(GAAP Budgetary Basis of Accounting)

	Year Ended June 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Taxes	\$--	\$(121,782)	\$(51,207)	\$--	\$--
Licenses and Permits	--	--	--	--	(26,174)
Intergovernmental	--	--	--	--	--
Charges for services	--	(3,378)	--	--	(201,845)
Fines and forfeitures	(28,067)	(2,194)	--	--	--
Interest	--	--	--	--	--
Contributions	--	--	--	--	--
Other	--	--	--	--	--
Total revenues	--	--	--	--	--
Expenditures:					
Current Operating:					
General Government	--	--	--	--	--
Judicial	--	--	--	--	--
Public Safety	--	--	--	--	--
Public Works	--	--	--	--	--
Health and welfare	--	--	--	--	--
Culture/recreation	--	--	--	--	--
Housing and Development	--	--	--	--	--
Total operating expenditures	--	--	--	--	--
Current:					
General Government	--	--	--	--	--
Public Safety	--	--	--	--	--
Judicial	--	--	--	--	--
Public Works	--	--	--	--	--
Health and welfare	--	--	--	--	--
Culture/recreation	--	--	--	--	--
Debt Service	--	--	--	--	--
Total Expenditures	--	--	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--	--
Other Financing Sources (Uses)					
Transfers In	--	--	(54)	(3,774)	(3,553)
Transfers Out	--	--	--	--	--
Sale of Capital Assets	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--
Net change in fund balance	<u>\$1,681,813</u>	<u>\$1,329,991</u>	<u>\$2,738,928</u>	<u>\$3,069,505</u>	<u>\$3,330,980</u>

The County expects to conform to its adopted budgets for its General Fund for fiscal years 2021 and 2022.

Employee Benefits

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.

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 ten 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 and beneficiaries currently receiving benefits	98
Terminated employees entitled to benefits but not yet receiving them	134
Active employees participating in the Plan	<u>177</u>
Total number of Plan participants	<u>409</u>

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.

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, and 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.

The components of the net pension liability are as follows:

	Total Pension Liability (TPL) (a)	Fiduciary Net Pension (FNP) (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2018	\$30,151,759	\$19,633,268	\$10,518,491
Changes for the year:			
Service cost	663,430	--	663,430
Interest	2,066,670	--	2,066,670
Liability experience (gain)/loss	374,857	--	374,857
Assumption Change	1,498,663	--	1,498,663
Employer contributions	--	2,061,322	(2,061,322)
Net investment income	--	4,072,030	(4,072,030)
Benefit payment	(1,255,798)	(1,255,798)	--
Administrative expense	--	(57,095)	57,095
Other	--	(115,945)	115,945
Net Changes	<u>3,347,822</u>	<u>4,704,514</u>	<u>(1,356,692)</u>
Balance at December 31, 2019	<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 pensions from the following sources:

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

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

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

Actuarial assumptions. The total pension liability as of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset class</u>	<u>Target allocation</u>	<u>Range</u>
Fixed income	30.00%	25-35%
Domestic large equities	30.00	25-35
Domestic mid equities	5.00	2.5-10
Domestic small equities	5.00	2.5-10
REIT	5.00	2.5-10
International developed market equities	15.00	10-20
Multi Cap	5.00	2.5-10
Global Allocation	5.00	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:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
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 pension plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia Benefit System financial report.

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 with 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 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.

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.

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

Active members	233
Retired members	62
Total membership	295

Benefits Provided. The County allows 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. 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.

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	3,182,972	0	3,182,972
Balances at 6/30/2020	\$ 9,270,241	\$ 0	\$ 9,270,241

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%

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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>

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	518,806
Total	<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.

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>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$7,850,063
Current discount rate		9,270,241
1% increase		11,082,485

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.

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COUNTY DEBT STRUCTURE

Summary of County Debt By Category

Set forth below is information concerning the tax-supported debt of the County following the issuance of the Series 2021 Bonds. In addition to the County's debt obligations, property owners in the County are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the County overlaps such entities. Also set forth below is the estimated overlapping tax-supported debt of such overlapping entities as of July 1, 2021. Although the County has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others. The information set forth below should be read in conjunction with the County's financial statements included as Appendix A hereto.

<u>Category of Debt</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County</u>
<u>Direct Debt</u>			
County			
<i>Intergovernmental Contract⁽¹⁾</i>			
Oconee County Industrial Development Authority (2012) ⁽²⁾	\$475,000	100%	\$475,000
Oconee County Industrial Development Authority (2016) ⁽²⁾	2,955,000	100%	2,955,000
Oconee County Industrial Development Authority (2020) ⁽²⁾	7,790,000	100%	7,790,000
Oconee County (Hard Labor Creek Reservoir Project) (2015) ⁽³⁾	8,290,000	100%	8,290,000
Oconee County (Hard Labor Creek Reservoir Project) (2016) ⁽³⁾	7,420,000	100%	7,420,000
Upper Oconee Basin Water Authority (2015AB) ⁽⁴⁾	18,895,000	20.929%	3,960,202
Walton County Water and Sewer Authority (GEFA) ⁽⁵⁾	27,922,734	28.8%	8,041,748
<i>Capital Lease</i>	1,200,000	100%	1,200,000
<i>General Obligation Bonds⁽⁶⁾</i>			
Series 2020 Bond	7,980,000	100%	7,980,000
Series 2021 Bonds	<u>12,500,000*</u>	100%	<u>12,500,000*</u>
Total Direct Debt	<u>\$95,427,734*</u>		<u>\$60,611,951*</u>
<u>Overlapping Debt</u>			
Oconee County School District			
<i>General Obligation⁽⁶⁾</i>			
Series 2021 Bonds	\$49,000,000	100%	\$49,000,000
Total Overlapping Debt	<u>\$49,000,000</u>		<u>\$49,000,000</u>
TOTAL DIRECT AND OVERLAPPING	<u>\$144,427,734*</u>		<u>\$109,611,951*</u>

⁽¹⁾ Intergovernmental contracts under Georgia law, while not "debt", are binding obligations of the governmental entity to make payments.

⁽²⁾ Includes intergovernmental contracts with the Oconee County Industrial Development Authority for the Oconee County Industrial Development Authority Taxable Revenue Bonds (Economic Development Projects), Series 2012 (the "Series 2012 Bonds"), the Oconee County Industrial Development Authority Revenue Bond (Oconee County Economic Development Project), Series 2016, and the Oconee County Industrial Development Authority Taxable Refunding Revenue Bond (Economic Development Project), Series 2020 (the "Series 2020 Bond"). Under the intergovernmental contracts for the Series 2012 Bonds and the Series 2020 Bond, the County has agreed to levy and collect an annual tax on all taxable property located within the County as may be necessary to produce in each year revenues which are sufficient to make the payments required by such contracts; provided, however, that such tax shall not exceed one mill per dollar, or such greater millage

as may hereafter be prescribed by applicable law, upon the assessed value of taxable property in the County in accordance with O.C.G.A. §48-5-220(20).

- (3) Includes intergovernmental contracts with the Walton County Water and Sewerage Authority for the Walton County Water and Sewerage Authority Refunding Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2015 and the Walton County Water and Sewerage Authority Revenue Bonds (Oconee – Hard Labor Creek Reservoir Project), Series 2016 (collectively, the “Hard Labor Creek Bonds”). It is intent that the principal and interest on the Hard Labor Creek Bonds will be paid from the revenues of the County’s water and sewer system. The County will not collect ad valorem taxes to pay the Hard Labor Creek Bonds unless the revenues of the water and sewer system are insufficient.
- (4) Includes an intergovernmental contract with the Upper Oconee Basin Water Authority in connection with the Upper Oconee Basin Water Authority Revenue Bonds, Series 2015A (the “UOBWA Series 2015A Bonds”), the Upper Oconee Basin Water Authority Taxable Revenue Bonds, Series 2015B (the “OUBWA Series 2015B Bonds” and, together, with the UOBWA Series 2015A Bonds, the “UOBWA Bonds”). The County is obligated to pay 20.929% of the debt service for the UOBWA Bonds. It is intent that the principal and interest on the UOBWA Bonds will be paid from the revenues of the Upper Oconee Basin Water Authority’s respective water systems. The County will not collect ad valorem taxes to pay the UOBWA Bonds unless the revenues of the respective water systems are insufficient.
- (5) The Walton County Water and Sewer Authority (WCWSA) entered into a note payable with the Georgia Environmental Finance Authority (GEFA) during 2013. The County is obligated to pay 28.8% of the amounts payable under that note pursuant to an 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. The entire note balance has been drawn and is outstanding. In 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. WCWSA had drawn \$7,922,734 on the note and the County’s share was \$2,281,748. All money drawn to date is still outstanding at the end of the current fiscal year.
- (6) General obligation bonds are general obligations of the governmental entity to which its full faith and credit and tax powers are pledged.

There has never been a default in payment of the principal of or interest on any debt obligations of the County.

Proposed Debt

Other than possible economic development revenue bonds to be issued by the Oconee County Industrial Development Authority and secured by contract payments to be made by the County pursuant to an intergovernmental contract and limited to the revenues generated by the levy of an ad valorem tax not greater than one mill per dollar, or such greater millage as may hereafter be prescribed by applicable law, upon the assessed value of taxable property in the County in accordance with O.C.G.A. §48-5-220(20), the County does not anticipate the need to issue any additional long-term indebtedness in the next three years.

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Tax Supported Debt Ratios

The following table sets forth certain debt ratios, and assuming the issuance of the Series 2021 Bonds.

	Direct Tax Supported <u>Debt*</u>	Overlapping <u>Debt</u>	Overall Tax Supported <u>Debt*</u>
Per Capita Debt ⁽¹⁾	\$1,504.77	\$1,216.48	\$2,721.25
Percentage of Gross Tax Digest ⁽²⁾	2.29%	1.85%	4.14%
Percentage of Estimated Fair Market Value ⁽³⁾	0.92%	0.74%	1.66%
Per Capita Debt as Percentage of Per Capita Income ⁽⁴⁾	2.22%	1.79%	4.01%

⁽¹⁾ Based upon 2019 population figure of 40,280.

⁽²⁾ Based upon 2020 Gross Tax Digest of \$2,647,784,398.

⁽³⁾ Based on 2020 estimated fair market value of \$6,618,936,757.

⁽⁴⁾ Based upon 2019 per capita income figure of \$67,845.

Limitations on County Debt

The Constitution of the State of Georgia provides that the County may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the County voting at an election called to approve the obligations, in addition, under the Constitution of the State of Georgia, the County may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the County.

Short-term obligations (those payable within the same fiscal year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the County's debt limitations.

As computed in the table below, based on its 2020 gross tax digest, the County could incur (upon necessary voter approval) approximately \$244,298,440* of long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin

	<u>2020</u>
2020 Gross Tax Digest for the County (Gross Assessed Value of Taxable Property)	\$2,647,784,398
Debt Limit (10% of 2020 Net Assessed Value of Taxable Property)	\$264,778,440
Less: Amount of General Obligation Debt Outstanding Applicable to Debt Limit ⁽²⁾	\$20,480,000*
Legal Debt Margin	\$244,298,440*

⁽¹⁾ Not reported. The legal debt margin should be based upon the net general obligation bond digest. The digest was not prepared because the outstanding General Obligation Bonds have been paid with proceeds of the Existing Sales Tax. If prepared, the net general obligation bond digest would have been smaller than the gross digest, resulting in a lower debt margin.

⁽²⁾ Assumes the issuance of the Series 2021 Bonds.

THE SALES TAX

Description

Georgia law authorizes the Board of Commissioners of the County by resolution to impose within the County a special sales and use tax, known as the County Special Purpose Local Option Sales and Use Tax, at the rate of one percent to raise a specified amount, conditioned upon approval by a majority of the qualified voters voting in a referendum thereon.

The Sales Tax was authorized under this authority to be imposed pursuant to a referendum in the County held on November 3, 2020, called under a resolution adopted by the Board of Commissioners on July 28, 2020. The canvass of the election showed 16,102 “Yes” votes and 7,811 “No” votes, an approximately 67% approval by those who voted in the election.

The notice of election authorized the imposition of the Sales Tax, for a period of twenty-four consecutive calendar quarters (6 years), upon the termination of the county special purpose local option sales tax presently in effect (the “Existing Sales Tax”) on or about October 1, 2021, for certain purposes pursuant to an Intergovernmental Agreement dated July 7, 2020 (the “Contract”) among the County, the Town of Bishop, the Town of Bogart, the Town of North High Shoals, and the Municipality of Watkinsville (the “Municipalities”). The following capital outlay projects of the County were authorized: (1) Recreational facilities, (2) Water and sewer facilities, (3) Roads, streets and bridges, (4) Farmland protection, (5) Fire station and rescue facilities and equipment, (6) Historic and scenic facilities, (7) Library and administrative facilities, (8) General County facilities, (9) Broadband facilities, (10) Recreational and park facilities, (11) Courthouse facilities, and (12) Law enforcement vehicles (collectively, the “County SPLOST Projects”). The following capital outlay projects of the Town of Bishop were authorized: roads, streets, bridges and sidewalks. The following capital outlay projects of the Town of Bogart were authorized: (1) Roads, streets, bridges and sidewalk facilities, (2) Fire department equipment, (3) Sewer facilities, (4) General city facilities, (5) Park facilities, and (6) Broadband facilities. The following capital outlay projects for the Town of North High Shoals were authorized: (1) Park facilities, (2) Roads, streets, bridges, sidewalks and traffic control facilities, (3) Community building, (4) Fire station equipment, and (5) Greenway facilities. The following capital outlay projects of the Municipality of Watkinsville were authorized: (1) Public safety facilities and equipment, (2) Recreational, park and greenspace facilities, (3) Roads, streets, bridges, drainage and sidewalks, and (4) Multipurpose city facilities, signage and equipment. The Sales Tax will begin to be collected on or about October 1, 2021 and will cease to be collected at the end of twenty-four calendar quarters (6 years).

Upon receipt by the County of the Sales Tax proceeds collected by the State Department of Revenue, the County will immediately deposit said proceeds. The County will remit and distribute the funds on a monthly basis pursuant to the Contract, assuming the County continues to receive such money on a monthly basis. The proceeds shall be deposited in the separate funds or accounts established by the County and each Municipality in accordance with the Contract.

It is reasonably anticipated that the Board of Commissioners of the County will hold a referendum for the reimposition of the sales tax upon the termination of the Sales Tax on September 30, 2027, but it is not certain whether the Board of Commissioners of the County will hold such referendum, that the voters will vote to approve the reimposition of the sales tax or that the payment of debt service on the Series 2021 Bonds will be listed as a permitted use of such sales tax.

Sales Subject to Taxation

The Sales Tax will be reimposed on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on services within the County, subject to numerous exemptions, including sales to certain governmental entities and to certain non-profit organizations, professional, insurance, and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, and sales of prescription drugs, certain medical devices and equipment, and lottery tickets.

Sales Tax Collections

The Sales Tax will be generally reimposed on the purchaser of tangible personal property or services and will be generally collected by the seller of tangible personal property or services from the purchaser at the time of sale. Sellers of tangible personal property or services will be generally required to file tax returns with the Revenue Commissioner on or before the 20th day of each month, showing taxable sales during the preceding calendar month, and to remit the Sales Tax shown due on the return with the return. Sellers of tangible personal property or services will be allowed the following deductions from Sales Taxes timely remitted to the Revenue Commissioner: (1) 3 percent of the first \$3,000 of Sales Tax reported due on each monthly return (other than Sales Tax on motor fuel), (2) 0.50 percent of Sales Tax in excess of \$3,000 reported due on each monthly return (other than Sales Tax on motor fuel), and (3) 3 percent of Sales Tax on motor fuel reported due on each monthly return. When any seller fails to make any return or to pay the full amount of the Sales Tax, there will be imposed a penalty to be added to the Sales Tax in the amount of 5 percent or \$5.00, whichever is greater, if the failure is for not more than 30 days and an additional 5 percent or \$5.00, whichever is greater, for each additional 30 days or fraction of 30 days during which the failure continues. The penalty for any single violation will not exceed 25 percent or \$25.00 in the aggregate, whichever is greater.

Permitted Uses

Georgia law provides that the Sales Tax shall be exclusively administered and collected by the Revenue Commissioner for the use and benefit of the County and the Municipalities. The proceeds of the Sales Tax collected by the Revenue Commissioner must be disbursed to the County as soon as practicable after collection, after deducting one percent of the amount collected for the state treasury in order to defray the costs of administration.

Georgia law provides that the proceeds received from the Sales Tax shall be used by the County and the Municipalities exclusively for the purpose or purposes specified in the resolution calling for reimposition of the Sales Tax. Such proceeds are required by Georgia law to be kept in a separate account from other funds of the County and the Municipalities and may not in any manner be commingled with other funds of the County or the Municipalities prior to expenditure.

The Bond Resolution provides that the Sales Tax shall be collected by the County and the Municipalities and shall be deposited into a special trust fund held separate and apart from all other funds of the County and the Municipalities (the “Sales Tax Fund”). The Series 2021 Bonds are payable from the County’s portion of the Sales Tax to the extent such Sales Tax is being collected and is available and not used for other County SPLOST Projects.

Historical Sales Tax Data

Set forth below are the net proceeds of sales and uses tax received by the County for the past five calendar years.

<u>Year</u>	<u>Existing Sales Tax Collections</u>	<u>Percentage Change</u>
2021 ⁽¹⁾	\$4,422,771	--
2020 ⁽²⁾	7,819,207	0.60%
2019	7,772,882	(0.15)%
2018	7,784,508	12.76%
2017	6,903,820	--

Source: Oconee County; Georgia Department of Revenue.

⁽¹⁾ As of June 30, 2021

⁽²⁾ A state audit adjustment in September 2020 resulted in an increase of \$413,325 in LOST revenues and \$468,517 in SPLOST revenues. Since this revenue is an anomaly for the County and is considered an infrequent event, the amounts are omitted to avoid overstating revenue calculations in future projections.

COUNTY AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the County is ad valorem property taxes. Ad valorem property taxes accounted for an annual average of approximately 48.25% of County general fund revenues for the past five fiscal years of the County, from approximately 46.11% in 2016 to 51.70% in 2020, and are budgeted to account for approximately 48.80% of general fund revenues for the year ending June 30, 2021. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the County. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

In addition, the County allows exemptions from ad valorem taxation for (1) homesteads, or owner-occupied residences, of persons 65 years of age or older with net income less than \$15,000, of up to \$15,000 of assessed value, (2) homesteads, or owner-occupied residences, of persons 62 years of age with net income less than \$10,000, of up to \$10,000 of assessed value and (3) homesteads, or owner-occupied residences, of disables veterans, of up to \$100,896 of assessed value. The County also allows exemptions from ad valorem taxation for school maintenance and operation purposes for (1) homesteads, or owner-occupied residences, of up to \$2,000 of assessed value and (2) homesteads, or owner-occupied residences, and up to assessed land value of 5.00 acres, of persons 65 years or older of 100% of the assessed home value. The County has also enacted a homestead valuation freeze exemption. This exemption freezes the valuation of property at the base year valuation for as long as the homeowner owns and resides on the property. Manufacturing and distribution businesses within the County are allowed a “freeport” exemption as authorized by the Constitution of the State of Georgia.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property (otherwise known as conservation use property) and certain single-family real property located in transitional developing areas to be valued at their “current uses” (as opposed to fair market value).

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the Oconee County Board of Tax Assessors. The Tax Commissioner of Oconee County is required to present the tax returns of Oconee County to the Oconee County Board of Tax Assessors by April 1 of each year. The Oconee County Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Oconee County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the County which bills these taxes to the utilities.

Annual Tax Levy and Limitation on Annual Tax Levy

The Board of Commissioners of the County determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within the territorial limits of the County, will produce the necessary amount of property tax revenues. The Board of Commissioners then levies its ad valorem property tax.

Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the County. Ad valorem property taxes received for the payment of debt service on general obligation bonds of the County are required by law to be held and accounted for separately from other funds of the County. See “THE SERIES 2021 BONDS - Disbursement and Investment of Bond Proceeds and Other Moneys” herein.

Property Tax Collections

The County bills and collects its own property taxes. Real and personal property taxes, except motor vehicle taxes, are levied in August through October of each year on the assessed value listed as of January 1. Taxes levied by the County are normally billed around October 20th and are due 60 days later, normally on or about December 20 of each year.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed. The lien normally becomes enforceable 30 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of the realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer’s personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

At any time after the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the County Clerk may issue an execution for nonpayment of taxes to the Tax Commissioner. The Tax Commissioner may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Tax Commissioner at the Oconee County Courthouse on the first Tuesday of the month after the required notices are given.

Delinquent property taxes of the County are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

Historical Property Tax Data

The property tax digests of the County for calendar years 2016 through 2020 are outlined on the following tables. Values for real property represent all real estate less the exempt property in the County. Personal property includes motor vehicles, bank shares, inventories, aircraft, pleasure boats, industrial machinery, fixtures and equipment, farm machinery and equipment, livestock and mobile homes. Property assessments for public utilities represent assessments for all public utilities and public service corporations in the County. Under Georgia law, property is assessed at 40 percent of estimated fair market value, except as described in “COUNTY AD VALOREM TAXATION – Assessed Value,” herein.

County Assessed Valuation⁽¹⁾

Property Type	2016	2017	2018	2019	2020
Residential	\$1,169,112,281	\$1,259,333,704	\$1,372,604,488	\$1,503,004,481	\$1,612,571,783
Agricultural	148,582,982	163,533,612	188,164,320	218,678,663	244,043,987
Preferential	0	0	0	0	0
Conservation Use	192,337,706	201,166,354	230,239,659	249,718,613	270,499,452
Forest Land	428,697	235,000	241,414	250,556	250,556
Commercial	305,768,780	329,758,890	351,948,465	395,790,526	419,205,973
Industrial	23,220,087	25,647,042	29,297,295	29,889,908	32,765,217
Utility	34,952,153	37,353,222	36,209,987	37,192,407	39,891,538
Motor Vehicle	58,777,330	45,357,880	35,493,740	29,467,460	25,856,770
Mobile Home	1,693,807	1,794,156	1,740,040	2,238,037	2,238,536
Timber 100%	376,632	676,588	199,931	714,272	349,492
Heavy Equipment	3,549	18,625	0	40,803	111,094
Historic	92,741	0	0	0	0
Gross Digest	1,935,386,745	2,064,875,073	2,246,139,339	2,466,985,726	2,647,784,398
Bond Exemption ⁽²⁾	0	0	0	0	0
Net Bond Digest	1,935,386,745	2,064,875,073	2,246,139,339	2,466,985,726	2,647,784,398
M&O Exemptions	255,162,308	267,739,399	301,350,266	332,855,005	360,307,431
Net M&O Digest	\$1,680,224,437	\$1,797,135,674	\$1,944,789,073	\$2,134,130,721	\$2,287,476,967

⁽¹⁾ Property other than timber is assessed at 40% of its fair market value. Timber is assessed at 100% of its fair market value.

⁽²⁾ Not reported.

Source: Georgia Department of Revenue, Tax Digest Consolidated Summaries; and the Oconee County Tax Commissioner.

Conservation Use Property

Approximately 65% by acreage (approximately 10% of the total value) of the real property on the County's 2020 general tax digest was designated as Conservation Use property. Conservation Use property is real property that consists of timber land or agricultural land and is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from use of the property and (b) 35% of its current use value. The purpose of this tax treatment is designed to protect property owners of agricultural and timber lands from being pressured by property tax burdens to convert their land to residential or commercial use. Conservation Use property must remain undeveloped and employed for a qualifying use (i.e., agricultural or timber land) for at least ten years after its original designation. The value of conservation use property is not permitted to be increased or decreased by more than 3% from the current use valuation for the immediately preceding tax year or increased or decreased during the ten year covenant period by more than 34.39% from its current use valuation in the initial year of the 10-year period.

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Property Tax Levies and Collections

The following table reflects the tax levy and collection record on property in the County for the last five fiscal years.

Applicable Collection Period/ Fiscal Year	Current Year Tax Levy ⁽¹⁾	Current Year Tax Levy	Tax Collections ⁽²⁾ (During Applicable Collection Period/Fiscal Year)				Collections from the Current Year ⁽¹⁾ Tax Levy as a % of the Current Year ¹ Tax Levy	Total Tax Collections as a % of the Current Year ⁽¹⁾ Tax Levy	
			Collections from Current Year ⁽¹⁾ Tax Levy		Collections from Prior Years' Tax Levies				Total Tax Collections
2021	2020	\$15,305,125	\$15,118,267	+	\$93,027	=	\$15,211,294	98.78%	99.39%
2020	2019	14,242,233	14,155,565	+	23,970	=	14,139,536	99.28	99.28
2019	2018	12,927,899	12,842,135	+	66,509	=	12,908,644	99.34	99.85
2018	2017	11,856,668	11,755,363	+	53,378	=	11,808,741	99.15	99.60
2017	2016	10,954,781	10,891,036	+	27,095	=	10,918,130	99.42	99.67

⁽¹⁾ Current Year relates to the Calendar Year prior to the applicable Fiscal Year of collections. For example, for the collection period Fiscal Year 2020, Current Year relates to Calendar Year 2019.

⁽²⁾ Tax collection amounts shown are net of a collection fee of 2.50% paid to the County.

Source: Oconee County Tax Commissioner.

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Millage Rates

The following table sets forth the various tax rates per \$1,000 of assessed valued levied by the County, the Oconee County School District, and the cities within the County:

MILLAGE RATES BY CATEGORY:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Oconee County (unincorporated)	6.686	6.686	6.686	6.686	6.686
Oconee County (incorporated)	7.656	7.656	7.646	7.626	7.616
Oconee County School District ⁽¹⁾	17.000	17.000	17.000	16.500	16.500
City of Bishop	1.858	2.000	1.895	1.846	1.791
City of Bogart	2.878	2.878	2.878	2.878	2.788
City of North High Shoals	1.398	1.398	1.287	1.227	1.140
City of Watkinsville	2.791	2.677	2.508	2.508	2.368
TOTAL COMBINED MILLAGE RATES:					
Oconee County (unincorporated)	23.686	23.686	23.686	23.186	23.186
City of Bishop	26.514	26.656	26.541	25.972	25.907
City of Bogart	27.534	27.534	27.524	27.004	26.904
City of North High Shoals	26.054	26.054	25.933	25.353	25.256
City of Watkinsville	27.447	27.333	27.154	26.634	26.484

Source: Georgia Department of Revenue.

⁽¹⁾ The legal limit is 20 mills. See "COUNTY AD VALOREM TAXATION -- Annual Tax Levy and Limitation on Annual Tax Levy."

Source: Georgia Department of Revenue, Local Government Services Division; and the Oconee County Tax Commissioner.

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Ten Largest Taxpayers

Set forth below are the ten largest taxpayers of the County for calendar year 2020. A determination of the largest taxpayers within the County can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table above. Furthermore, the taxpayers shown in the table above may own additional parcels within the County. No independent investigation has been made of and consequently no representation can be made as to, the financial condition of any of the taxpayers listed above or that such taxpayers will continue to maintain their status as major taxpayers in the County.

Taxpayer	2020 Assessed Valuation	2020 Assessed Valuation as a Percent of the 2020 Total Assessed Valuation ⁽¹⁾	2020 Taxes Paid ⁽²⁾	2020 Taxes Paid as a Percent of the 2020 Total Taxes Levied ⁽³⁾
1. Caterpillar, Inc.	\$43,932,868	1.92%	\$503,909.95	3.54%
2. PPF AHP OFF 1305 Jennings Mill Rd	19,090,339	0.83	442,629	3.11
3. UP Athens Ridge SPE LLC	18,424,332	0.81	427,187	3.00
4. Epps Bridge Centre Property Co LLC	16,899,107	0.74	391,823	2.75
5. Walton EMC	13,955,037	0.61	323,769	2.23
6. Georgia Transmission Corp	12,109,107	0.53	283,003	1.98
7. Benson's Inc.	8,944,530	0.39	172,691	1.21
8. The Markets at Epps Bridge LLC	6,632,928	0.29	153,791	1.08
9. Georgia Power Company	5,997,757	0.26	145,552	0.99
10. TT of Athens Inc	5,907,807	0.26	136,978	0.96
TOTAL	\$151,893,812	6.64%	\$2,970,707	7.97%

⁽¹⁾ Based on total net maintenance and operations tax digest in 2020 of \$2,287,476,967.00.

⁽²⁾ Figures reflect reduction due to the freeport exemption for certain inventories of manufactured goods.

⁽³⁾ Based on a total real and personal property tax levy for 2020 of \$53,315,720.96.

Source: Oconee County Tax Commissioner.

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LEGAL MATTERS

Pending Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with its general counsel, Daniel C. Haygood, Esq., believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the County, threatened against the County (i) which restrains or enjoins the issuance or delivery of the Series 2021 Bonds, the reimposition of the Sales Tax, the levy of an ad valorem tax for the payment of the Series 2021 Bonds, or the use of the proceeds of the Series 2021 Bonds or (ii) which questions or contests the validity of the Series 2021 Bonds or the proceedings and authority under which they are to be issued and the Sales Tax is to be reimposed and an ad valorem tax is to be levied to pay the Series 2021 Bonds. Neither the creation, organization, or existence of the County, nor the title of the present members or other officials of the Board of Commissioners of the County to their respective offices, is being contested or questioned.

Validation Proceedings

The Series 2021 Bonds were validated in the Superior Court of Oconee County on February 22, 2021. The State of Georgia was the plaintiff in the proceeding, and the County was the defendant. Under Georgia law, the judgement of validation is final and conclusive with respect to the validity of the Series 2021 Bonds against the County.

Closing Certificates

At closing of the sale of the Series 2021 Bonds, the County will deliver to the Underwriter a certificate stating (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2021 Bonds, the reimposition of the Sales Tax, or the levy and collection of an ad valorem tax to pay the Series 2021 Bonds or on the financial condition of the County. In addition, the County will represent to the Underwriter in the Bond Purchase Agreement that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

Tax Matters

Generally. The Internal Revenue Code of 1986, as amended (the “Code”) establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excluded from gross income for purposes of federal income taxation. Noncompliance with such requirements could cause the interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2021 Bonds are to be invested and require that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States. The County has covenanted in the Bond Resolution to comply with the requirements of the Code in order to maintain the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes. Failure to comply with these covenants could result in interest on the Series 2021 Bonds being includable in the gross income of the owners thereof for federal income tax purposes.

Legal matters incident to the authorization, validity, and issuance of the Series 2021 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Bond Counsel. The opinion of Bond Counsel is attached to

this Official Statement as Appendix B. Copies of the opinion will be available at the time of the initial delivery of the Series 2021 Bonds.

Federal Tax Matters. In the opinion of Gray Pannell & Woodward LLP, Bond Counsel, under existing statutes, rulings and court decisions and under applicable Regulations, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax. Except as provided below with respect to original issue discount and premium, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on the Series 2021 Bonds.

Ownership of the Series 2021 Bonds may result in other collateral federal income tax consequences to certain taxpayers, including without limitation, corporations subject to the environmental tax, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2021 Bonds. Purchasers of the Series 2021 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In rendering our opinion that the interest on the Series 2021 Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations of the County with respect to, among other things, the use of the proceeds of the Series 2021 Bonds without undertaking to verify the same by independent investigation and (ii) assume the continued compliance by the County with its covenants relating to the use of the proceeds of the Series 2021 Bonds and compliance with other requirements of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the Series 2021 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021 Bonds.

State Tax Matters. In the opinion of Bond Counsel, under existing statutes, interest on the Series 2021 Bonds is exempt from all present state income taxation within the State of Georgia. Interest on the Series 2021 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Purchasers of the Series 2021 Bonds should consult their tax advisors as to the taxable status of the Series 2021 Bonds in a particular state or local jurisdiction other than Georgia.

Circular 230. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2021 Bonds. The tax discussion herein under “LEGAL MATTERS – Tax Matters” was not intended or written to be used, and cannot be used, for purposes of avoiding taxpayer penalties. This discussion was written to support the promotion or marketing of the Series 2021 Bonds.

Other Tax Consequences to Investors. There may be other federal, state, local, or foreign tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2021 Bonds. Purchasers of Series 2021 Bonds who are nonresident alien individuals, corporations that are not incorporated in the United States or under the laws of the United States or of any state of the United States, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Series 2021 Bonds.

Original Issue Discount

With respect to the Series 2021 Bonds maturing January 1, 20____ (collectively, the “Original Issue Discount Bonds”), the difference between the initial public offering prices of such Original Issue Discount Bonds and their respective stated principal amounts constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes subject to the caveats and provisions described in the foregoing section.

In the case of an owner of an Original Issue Discount Bond, the amount of original issue discount which is treated as having accrued with respect to such Original Issue Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of an Original Issue Discount Bond

(including its sale, redemption or payment at maturity). Amounts received upon disposition of an Original Issue Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at the yield to maturity of each individual Original Issue Discount Bond, on days which are determined by reference to the maturity date of such Original Issue Discount Bond. The amount treated as original issue discount on an Original Issue Discount Bond for a particular semiannual accrual period is equal to (i) the product of (a) the yield to maturity for such Original Issue Discount Bond (determined by compounding at the close of each accrual period) and (b) the amount which would have been the tax basis for such Original Issue Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (ii) less the amount of any interest payable for such Original Issue Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Original Issue Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If an Original Issue Discount Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Premium Bonds

The difference between the principal amount of the Series 2021 Bonds maturing on January 1, 20____ (collectively, the “Premium Bonds”) and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such Premium Bond in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

The foregoing is a general discussion of certain federal income tax consequences of original issue premium and discount and does not purpose to deal with all tax questions that may be relevant to particular investors or circumstances. Holders of the Series 2021 Bonds should consult their own tax advisors with respect to the apportionment for federal income tax purposes of accrued tax-exempt interest upon a sale or exchange (including redemption) and with respect to the state and local tax consequences of original issue premium and discount.

Changes in Federal Tax Law

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to the Series 2021 Bonds issued prior to enactment. In addition, regulatory actions from time to time are announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2021 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2021 Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Transportation Funding Act

On May 4, 2015, the Governor of Georgia signed into law House Bill 170 (the “Transportation Funding Act”), which became effective July 1, 2015. The new law eliminated the State sales tax on gasoline and diesel and imposed a new per-gallon excise tax on motor fuel (the “Excise Tax”). The Excise Tax is subject to annual adjustments to account for inflation and the increasing fuel efficiency of new vehicles (which will be tied to increases in the Corporate Average Fuel Economy standard and the National Highway and Construction Cost index) and was initially imposed at the rate of 26 cents per gallon for gasoline and 29 cents per gallon for diesel. Proceeds of the Excise Tax would be required to be spent on transportation related projects. The Transportation Funding Act generally allows local governments to continue to collect local sales and use tax (“LOST”), special purpose local option sales tax (“SPLOST”), sales tax for educational purposes (“ESPLOST”), homestead option sales tax (“HOST”), and municipal optional sales tax (“MOST”), if any, at the current 1% rate on the sale of motor fuel. However, if the retail price of motor fuel rises above \$3.00 per gallon, any increase above \$3.00 will not be subject to such 1% rate of tax. At this time, it is uncertain if the Transportation Funding Act will have an adverse impact on tax revenues of the County.

IMPACT OF COVID-19 PANDEMIC

Background

In late 2019, a novel strain of coronavirus emerged in Wuhan, Hubei Province, China, which can cause the disease known as COVID-19 (“COVID-19”). COVID-19 is highly infectious, with high rates of morbidity and mortality, and has spread throughout the world, including the United States and the State. The World Health Organization declared COVID-19 to be a global pandemic on March 11, 2020 and a national emergency was declared in the United States on March 13, 2020. COVID-19 has significantly impacted State, national and global economic activity, as well as stock, bond and labor markets. COVID-19 has also had a volatile impact on the revenues and expenses of governments and businesses. All of such impacts are expect to continue for an extended time at unknown and varying degrees of severity.

In response to the spread of COVID-19, the United States government, state governments, local governments, school districts, and private industries throughout the country began implementing measures in March 2020 to limit social and work interactions in an effort to minimize the spread of the disease. On February 28, 2020, Governor Kemp established a Coronavirus Task Force to assess Georgia’s preparations and procedures for preventing, identifying, and addressing cases of COVID-19. The Task Force coordinated efforts between multiple State agencies along with federal and local partners to attempt to identify and mitigate spread within the State and private institutions, including nursing homes, to establish alternate or surge medical facility capacity, and to rapidly expand community testing. On March 14, 2020, Governor Kemp issued Executive Order No. 03.14.20.01, declaring that a “Public Health State of Emergency” existed in the State due to the spread of COVID-19. On March 16, 2020, the State’s General Assembly concurred with Governor Kemp’s Executive Order by joint resolution of both the State House and State Senate, vesting Governor Kemp with certain emergency powers prescribed by Georgia law for management of a state of emergency. Since his initial Executive Order establishing the Public Health State of Emergency Governor Kemp issued numerous additional Executive Orders to continue to address the State’s response to COVID-19, and for gradually and safely reopening the State’s economy. On June 22, 2021, Governor Kemp issued the final executive order extending the Public Health State of Emergency, which expired on July 1, 2021.

Additional public health data and other information related to the State’s response to COVID-19 is available on the following website: <https://dph.georgia.gov>. This website is provided for convenience only and is not incorporated by reference into this Official Statement. As of July 20, 2021, over 8,500,000 vaccines have been administered in the State (approximately 4,600,000 residents have received at least one dose and approximately 4,100,000 residents are fully vaccinated).

Various actions have been taken by the State, as well as federal and local governments and agencies, to provide relief to negatively impacted residents and businesses, including expanded availability of unemployment benefits, business loan programs, eviction moratoria, and tax payment deadline extensions, among others. To attempt to alleviate the deleterious economic impacts of the disease, Congress has passed several relief packages, including the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), the Families First Coronavirus Response Act and, most recently, the American Rescue Plan of 2021 (the “ARP Act”). The CARES Act allows for

reimbursements of expenditures incurred due to COVID-19 while the ARP Act provides resources to address the economic fallout of the COVID-19 pandemic. During FY 2020, the State received approximately \$3.5 billion in direct aid under Title V of the CARES Act, which established the Coronavirus Relief Fund (“CRF”). To date, the County has received \$1,849,129 in funding through the CARES Act and \$3,911,959 of an expected \$7,823,918 in funding through the ARP Act.

While it is impossible to determine the long-term effects that the continued spread of COVID-19 will have on the County’s finances, COVID-19 has not materially affected the financial health of the County thus far, and the County anticipates that it will achieve its budgeted financial results for the coming fiscal years.

Impact of COVID-19 on the County

The County cannot predict what effect the spread of COVID-19 or the various governmental and private actions taken in response thereto will have on its finances or operations. If there is a negative impact on the finances and operations of the County, for example, a reduction in tax revenues, the County’s ability to pay debt service on the Series 2021 Bonds may be adversely impacted.

MISCELLANEOUS

Rating

Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “Aa1” to the Series 2021 Bonds. The rating reflects only the view of the rating agency, and any desired explanation of the significance of each such should be obtained from Moody’s at the following addresses: Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such rating will remain unchanged for any given period of time or that it will not be revised downward or withdrawn entirely by Moody’s, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Series 2021 Bonds. The Underwriter and the County have not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

Underwriting

Stifel Nicolaus & Company, Incorporated (the “Underwriter”), has agreed to purchase the Series 2021 Bonds pursuant to a Bond Purchase Agreement entered into between the County and the Underwriter. The Underwriter has agreed to purchase the Series 2021 Bonds at a purchase price of \$ _____ (par, [plus/less] net [premium/discount] of \$ _____, less underwriting discount of \$ _____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2021 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer the Series 2021 Bonds to the public initially at the offering prices shown on the inside front cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Series 2021 Bonds to certain dealers at prices lower than the public offering.

Experts

The financial statements of the County, as of June 30, 2020 and for the year then ended, attached hereto as Appendix A, have been audited by Rushton & Company, LLC, Gainesville, Georgia, certified public accountants, to the extent and for the period indicated in their report thereon, which appears in Appendix A.

Legal matters incident to the authorization, issuance and sale of the Series 2021 Bonds are subject to the approval of Gray Pannell & Woodward LLP, Athens, Georgia, Bond Counsel. Certain legal matters will be passed on for the County by Daniel C. Haygood, Esq., Watkinsville, Georgia and by its disclosure counsel, Gray Pannell & Woodward LLP, Athens, Georgia. Certain legal matters will be passed on for the Underwriter by its counsel, Kozlarek Law, LLC, Greenville, South Carolina.

Additional Information

Use of the words “shall,” “must,” or “will” in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

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CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the County. The contents of this Official Statement are the responsibility of the County, except that the County is responsible for the statements contained under the caption "THE COUNTY" and the information with respect to the County appearing under the caption "LEGAL MATTERS – Pending Litigation" herein, and, with the exception of the foregoing information for which the County is responsible, the County makes no representation as to the accuracy or completeness of any information contained herein.

OCONEE COUNTY, GEORGIA

By: _____
Chairman, Board of Commissioners

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY
FOR 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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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)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	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)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	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	(189,531)	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	(19,430,000)	(37,136,549)

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	8,740,774	4,453	6,515	8,751,742
Cash and cash equivalents, June 30	<u>\$ 9,920,399</u>	<u>\$ 3,842</u>	<u>\$ 0</u>	<u>\$ 9,924,241</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
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
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	<u>\$ 475,000</u>	<u>\$ 21,376</u>	<u>\$ 496,376</u>

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	62	
Total membership	295	

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><u>\$ 2,498,971</u></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
		Net OPEB Liability
<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</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		41,250
		11,898,535
Accumulated amortization		(2,932,743)
Investment in UOBWA, net	\$	8,965,792

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>\$ 33,499,581</u>	<u>\$ 30,151,759</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>\$ 24,337,782</u>	<u>\$ 19,633,268</u>
Net pension liability - ending : (a) - (b)	<u>\$ 9,161,799</u>	<u>\$ 10,518,491</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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 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
<u>46,146</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>174,043</u>
<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
<u>21,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,000</u>
<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
<u>(21,000)</u>	<u>0</u>	<u>(516)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,456)</u>
<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						
	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**

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

<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
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>472,270</u>
<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
2004 Referendum					
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
2009 Referendum					
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				<u>\$ 4,470,572</u>	

* 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

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

The form of Opinion of Bond Counsel included as this Appendix B has been prepared by Gray Pannell & Woodward LLP, Athens, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2021 Bonds.

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1. The Bonds have been duly authorized and issued by the Board of Commissioners, as the controlling and managing body acting for and on behalf of the County, with the assent of a majority of the qualified voters of the County voting in the Election held for that purpose and in accordance with the Constitution and laws of the State of Georgia.

2. The Bonds are general obligations of the County and constitute a pledge of the full faith and credit of the County. The principal of and interest of the Bonds shall be paid from the general fund of the County or from an *ad valorem* tax to be levied, without limitation as to rate or amount, upon all property in the County subject to taxation for bond purposes. The County will also use certain receipts of a special one percent sales and use tax to service a portion of the debt service of the Bonds.

3. All property subject to taxation for general obligation bond purposes in the County is subject to the levy of an *ad valorem* tax unlimited as to rate or amount for the purpose of paying the principal of and interest on the Bonds. The Board of Commissioners, as authorized and required by law, has provided for the levy on all of said property such *ad valorem* taxes as will produce funds sufficient in amount to pay the principal of and interest on the Bonds as the same become due and payable to the extent that proceeds of the sales and use tax are insufficient to pay the same.

4. The Bonds have been duly confirmed and validated by judgment of the Superior Court of Oconee County entered on February 22, 2021, Civil Action No. 2021-CV-0030-N and no valid appeal may be taken from said judgment of validation.

5. Assuming compliance with the aforementioned covenant by the County to maintain the exclusion from federal gross income of interest on the Bonds, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purpose of the federal alternative minimum tax imposed. Interest on the bonds is exempt from taxation by the State of Georgia and any of its political subdivisions.

Although we have rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, a bondholder's federal tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend upon the bondholder's other items of income or deduction. We express no opinion regarding any such other tax consequences.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,

GRAY PANNELL & WOODWARD LLP

By: _____
A Partner

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Oconee County, Georgia (the “County”) in connection with the issuance of \$12,500,000 in aggregate principal amount of Oconee County, Georgia General Obligation Bonds, Series 2021 (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Commissioners of Oconee County adopted on August __, 2021 (the “Bond Resolution”). The County covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Beneficial Owners (as herein defined) of the Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Beneficial Owner**” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any of the Bonds for federal income tax purposes.

“**Dissemination Agent**” shall mean Digital Assurance Certification, L.L.C., Atlanta, Georgia, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“**EMMA**” means the MSRB’s Electronic Municipal Market Access System, as described in Securities Exchange Act of 1934, Act Release No. 34-59062, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“**Fiscal Year**” shall mean any period of twelve consecutive months adopted by the County as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB address is:

MSRB
1150 18th Street, N.W.
Suite 400
Washington, D.C. 20036

“**Participating Underwriter**” shall mean Stifel Nicolaus & Company, Incorporated.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) Not later than 270 days after the end of each fiscal year of the County, commencing with Fiscal Year 2021, the County shall provide, or cause the Dissemination Agent (if other than the County) to provide, an Annual Report electronically to EMMA. The Annual Report will be made to EMMA as PDF files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the County may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the County shall include unaudited financial statements in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to EMMA. If the County's fiscal year changes, notice of such change shall be given in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 15 business days prior to the date specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If the County is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall also:

(i) determine each year prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the County) file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to EMMA.

Section 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements are not yet available, the unaudited financial statements of the County, and when audited financial statements are available, the audited financial statements of the County, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time.

(b) If the accounting principles changed from the previous fiscal year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) If the fiscal year has changed, a statement indicating the new fiscal year.

(d) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the County of the type and in the format set forth in the tables of the Official Statement under the following sections:

- (1) "COUNTY DEBT STRUCTURE - Summary of County Direct and Overlapping Debt by Category;"
- (2) "COUNTY AD VALOREM TAXATION – Assessed Valuation;"
- (3) "COUNTY AD VALOREM TAXATION – Property Tax Collections;"
- (4) "COUNTY AD VALOREM TAXATION – Millage Rates;"
- (5) "COUNTY AD VALOREM TAXATION – Ten Largest Taxpayers;"
- (6) "COUNTY FINANCIAL INFORMATION – Five Year General Fund History;" and
- (7) "COUNTY FINANCIAL INFORMATION - Budget."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) The County shall give, or cause to be given, notice to EMMA, in an electronic format as prescribed by the MSRB, of the occurrence of any of the following events with respect to the Bonds within ten (10) business days of the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed of final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (vii) Modifications to rights of the bondholders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the County.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, or the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation (defined in paragraph (b) below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material, and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

(b) For purposes of this Section 5, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(c) The content of any notice of the occurrence of a Listed Event shall be determined by the County and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. The County shall notify EMMA that the County’s obligations under this Disclosure Certificate have terminated.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C., Atlanta, Georgia.

Section 8. Amendment: Waiver. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the County to the effect that the amendment does not violate the provisions of the Rule taking into account any subsequent change in or official interpretation of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(v) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to EMMA.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an “event of default” or “default” under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent

shall have no duty with respect to the content of any disclosure or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination shall have no duty to determine or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times. The obligation of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and, defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter, and the holders of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed, several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Date: August __, 2021

OCONEE COUNTY, GEORGIA

(SEAL)

By: _____
Chairman, Board of Commissioners

Attest:

Clerk

The undersigned hereby accepts its duties as Dissemination Agent under this Disclosure Certificate, this _____ day of August, 2021.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: OCONEE COUNTY, GEORGIA
Name of Bond Issue: \$12,500,000 OCONEE COUNTY, GEORGIA GENERAL OBLIGATION BONDS, SERIES 2021
CUSIP Number⁽¹⁾: _____
Date of Issuance: August ____, 2021

NOTICE IS HEREBY GIVEN that Oconee County, Georgia (the “County”) has not provided an Annual Report with respect to the above-named Bonds as required by its Disclosure Certificate, dated August ____, 2021. The County anticipates that the Annual Report will be filed by _____.

Dated: _____

OCONEE COUNTY, GEORGIA

By: _____
Chairman, Board of Commissioners

⁽¹⁾ No representation is made as to the correctness of the CUSIP number either as printed on the bond or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

**NOTICE OF THE OCCURRENCE
OF [INSERT THE LISTED EVENT]**

Relating to

OCONEE COUNTY, GEORGIA
GENERAL OBLIGATION BONDS, SERIES 2021
CUSIP NUMBERS ¹:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(10) shall include the following:

The County hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The County hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the County or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

Dated: _____

OCONEE COUNTY, GEORGIA

By: _____
Chairman, Board of Commissioners

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