

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended
June 30, 2015

Oconee County, Georgia
Financial Statements
For the Fiscal Year Ended June 30, 2015
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Oconee County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County'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 Health Department, which represents 100% of the assets, net position and revenues of the component unit column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the Oconee County Health Department, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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 report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Oconee County, Georgia as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 17 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Retirement Plan – Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Contributions, the Other Postemployment Benefits - Schedule of Funding Progress, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and information on pages I through IX, and pages 44-48 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

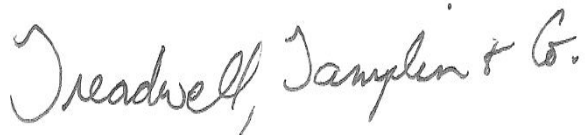
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, Georgia's financial statements as a whole. The combining and individual fund schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedule of State Contractual Assistance, and the Certification of 9-1-1 Expenditures, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, and the Schedule of State Contractual Assistance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Certification of 9-1-1 Expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2015 on our consideration of Oconee County'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 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 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.

A handwritten signature in cursive script that reads "Treadwell, Sampson & Co.".

Madison, Georgia
December 31, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

**OCONEE COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2015**

OCONEE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

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

Overview of the Financial Statements

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

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

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

Government-Wide Financial Statements

Government-wide financial statements are designed to provide you with a broad overview of the financial position of Oconee County and are similar to private-sector financial statements. They include a statement of net 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, 2015. 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 general government, law enforcement, parks and recreation, jail operations, zoning and enforcement, judicial, public works and human resources. Business-type activities financed by user charges include water and sewer, sanitation collection sites and community development.

Fund Financial Statements

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

Governmental Funds essentially account for the same functions as those reported under the government-wide Statement of Net 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 and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Oconee County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for government funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison. The county reports two major governmental funds – General Fund and the SPLOST Capital Projects Funds 2009. (pg 3)

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

Fiduciary Funds are agency funds held in a custodial nature, but outside the general county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support Oconee County Government's general programs. The accounting used for fiduciary funds is much like that used for proprietary funds. You will note that funds held by Oconee County for investment are reflected in this section as the Agency Fund. The county reports six agency funds – Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court (Sch 13).

Notes to the Financial Statement

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

Governmental Activities

For governmental activities, the change in net position amounted to \$2,446,323. (Exb 2) This increase is a combination of factors, including the addition of capital assets net of depreciation, developer contributions represented at an estimate of fair market value, as well as the treatment of long-term debt. In FY15, the County implemented GASB 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB 27. The implementation resulted in a prior period adjustment of \$7.5 million taking the beginning net position from \$87.8 million to \$80.3 million. Oconee County continues to practice conservative fiscal policies during challenging financial times.

Business-Type Activities

For business-type activities, the change in net position amounted to a total of \$6,630,965(Exb 2) as a result of operating revenues, capital contributions and transfers in from SPLOST. SPLOST Capital Projects Fund transferred \$921,811(Exb 6) to the Water and Sewer Fund for the purposes of capital expenses. The implementation of GASB 68 for the County in FY15 resulted in a prior period adjustment of \$924,698 taking the beginning net position from \$65.3 million to \$64.4 million.

As part of the Intergovernmental Agreement between the County and the Upper Oconee Basin Water Authority (UOBWA), reconciliation is performed at the Authority's year-end (December 31) to determine the actual cost sharing by each member county. In October 2007, the county entered into as part of an Intergovernmental Contract with Walton County and the Walton County Water and Sewerage Authority (WCWSA) for a Reservoir Project. The contract indicated that WCWSA would issue Revenue bonds (Oconee-Hard Labor Creek Reservoir Project), Series 2008 totaling \$19,535,000 (Note 7), for the purpose of financing or refinancing all or a portion of the cost of acquiring, constructing, installing and equipping a reservoir and related treatment and transmission facilities, paying capitalized interest on the Series 2008 Bonds, funding a debt service reserve and paying the costs of issuing the Series 2008 Bonds. The county intends to make the contract payments with revenues derived from its water and sewerage system. The County entered into a note payable with Georgia Environmental Finance Authority (GEFA). The County is obligated to pay 28.8% of the amounts payable under that note pursuant to the intergovernmental agreement that established the Hard Labor Creek Reservoir Project (HLC). At year-end, the County's share of the total borrowed to date was \$7,536,225. (Note7)

Financial Analysis of Oconee County's Funds

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

Governmental Funds

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

As of June 30, 2015, Oconee County governmental funds reported combined fund balances of \$19,302,686, (Exb.4) an increase of \$1,054,618(Exb.4) resulting in a minimal change over prior year. The County continues to utilize SPLOST funds to retire debt and the development of capital projects such as road, water and sewer improvements.

General Fund is the chief operating fund of the county. At June 30, 2015, total fund balance in the general fund was \$9,718,748. (Exb.4) There was an increase of \$561,946 (Exb 4) in the general fund balance. The majority of the increase, \$428K, is a result of the revenue recognition of State funds restricted for capital projects related to the Local Maintenance & Improvement Grant (LMIG) from Georgia Department of Transportation. The remaining balance of \$133K is due to the Board of Commissioners taking conservative measures and working closely with Elected Officials and Department Directors to keep expenditures to the minimum.

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.

IDA Grant Fund In FY12, the Industrial Development Authority was awarded a State Edge Grant for \$18 million by the OneGeorgia Authority for the purpose of site preparation and initial construction costs associated with the Caterpillar plant. Caterpillar constructed a facility, approximately 850,000 square foot, which straddles Oconee/Athens-Clarke County lines. This facility produces small-track tractors and mini excavators. As a joint venture, the counties provided infrastructure improvements to support the site, while Caterpillar provided site improvements and constructed the facility. Caterpillar will have committed to the creation of a minimum of 1,400 jobs and an investment of at least \$160 million into the facility and equipment by 2020. The Industrial Development Authority issued \$10,380,000 Series 2012 Revenue Bonds during March 2012 as incentive for the Caterpillar development. These bonds are repayable solely through the proceeds of an intergovernmental contract between the Authority and Oconee County and listed as Contract Payable-OCIDA in the Financial Statements. In FY15, the Authority used \$42,005 (Sch 8) in operating funds \$817,849 (Sch 9) in Revenue bond proceeds.

Special Revenue Fund by ordinance the Oconee County Board of Commissioners authorized an excise tax on rooms, lodgings and accommodations to contribute to the promotion of tourism, conventions and trade shows. In fiscal year 2010, the operation of a hotel and the excise tax revenue collections were initiated. The revenue for the period ending June 30, 2015 totaled \$151,775 (Sch 8).

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, 2015, total net position amounted to \$71,054,607 (Exb 6). This includes a change in net position of \$6,630,965. (Exb 6) and a prior period adjustment of \$924,698 due to the implementation of GASB 68. Net position changes are a result of operations, non-operating revenues, depreciation, expenses, capital contributions, donated assets and grants. The two funds in this category, Water & Sewer Fund and Other Enterprise Funds (Solid Waste Fund and Special Facilities Fund) receive additional revenue from such areas as user fees, licenses, permits, rent and donated infrastructure.

Program Revenue, General Revenue and Total Revenue

Total Program revenues for primary government increased from the previous fiscal year. The county received operating and capital grants which were a driving force in the increase. The general state of the economy also improved, as did Sales Tax revenues. House Bill 386 was passed by the 2012 Georgia General Assembly and provided a new method of taxation for motor vehicles, commonly referred to as Title Ad Valorem Tax or TAVT. This bill became effective March 1, 2013. Vehicles purchased after March 1, 2013 are exempt from Sales Tax and the ad valorem tax (aka “birthday tax”). These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the TAVT. This fee is calculated by multiplying the fair market value by 7.0% in 2015.

Financial Highlights

In March 2012, Oconee County was selected as the site for the Caterpillar facility. Construction began in May of 2012. The Caterpillar plant opened March 2013. The facility is comprised of 850,000 square feet. The facility will produce mini hydraulic excavators and small track type tractors. When fully operational, the company will employ approximately 1,400 people. The Oconee County Industrial Development Authority issued revenue bonds in the amount of \$10,380,000 for site and infrastructure development. The County is responsible for debt service bond payments. Beginning in FY13, the Industrial Development Authority was presented within the County’s Financial Statements as a blended component unit. The economy in Oconee County is returning to normal levels faster than neighboring counties in the region. Primary factors were low unemployment, new revenue sources through small business activity and an increase in new housing starts. Sales Tax revenue and economic activity has increased over the period slightly faster than projected. All of these factors enabled Oconee County to maintain the budget at current levels and even lower it in some cases. The millage rate was maintained while the property digest was flat. The Transportation Improvement & Maintenance Program & Water and Sewer Improvement plans are funded through SPLOST funds and remain within budget for infrastructure improvements. SPLOST now funds debt repayment for the Jail

Complex and Veteran's Park G.O bond repayment, as approved by a 2009 referendum. Oconee County's total assets exceeded total liabilities at June 30, 2015, by \$153,824,910. (Exb 1) Of this amount, \$3,781,732 (Exb1) may be used to meet the county's ongoing obligations to citizens and creditors.

As a whole, the financial position of the Oconee County government improved as compared to recent years. At June 30, 2015, Oconee County's Governmental Fund Statement Report combined ending fund balances of \$19,302,686 (Exb 3) an increase of \$1,054,618. Of this amount, \$8,776,044 (Exb 3) is restricted for Capital projects which commit the following funds: SPLOST 2004 - \$3,741,288 (Sch 6), SPLOST 2009 - \$4,233,795 (Exb 3), Hotel Sales Tax - \$111,268 (Sch 5), Industrial Development Authority Projects - \$260,931 (Sch 6), and General Fund - \$428,762 (Exb 3). In addition, the General Fund has committed \$2,887,023 (Exb 3) to advance fund GDOT project SR53/Mars Hill Road. Phase I of the project included reimbursements from the State of Georgia totaling \$5,337,170.25. The County began Phase II of the project with reimbursable expenditures as of June 30, 2015 totaling \$52,600.

The General Fund reported an adequate unassigned fund balance of \$5,610,050. (Exb 3) During Fiscal Year 2015, the government in accordance with GASB statement number 45, accounting and financial reporting by employees for post-employment benefits other than pensions continued to remain in effect. The County implemented GASB 54 Fund Balance reporting and governmental fund type definitions in 2012. (Exb 3) In 2013, the County implemented GASB 61. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The amendments to the criteria for blending improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic. Oconee County and the Oconee County Industrial Development Authority were reported in FY13 as a blended component unit in accordance with GASB 61. The County also implemented GASB 63. This Statement provides guidance for deferred outflows and deferred inflows of resources and defines those elements which are distinct from assets and liabilities as a consumption or acquisition of net assets that is applicable to future reporting periods and renames net assets to net position. The County further implemented GASB 65. This Statement reclassifies certain items as deferred outflows or as deferred inflows of resources previously reported as assets and liabilities. (Note 17) In FY15, the County implemented GASB 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB 27.

Government – Wide Financial Analysis

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2014 and the fiscal year ended June 30, 2015. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ended 2015 shows an increase in the change in net position of \$9.08 million (Exb 2) before prior period adjustment of \$8.41 million as a result of the implementation of GASB 68 over the previous fiscal year.

Budget Variations

The original General Fund budget for the fiscal year end June 30, 2015, reflected anticipated revenues of \$23,390,638 and expenditures of \$22,303,577. The final budget for the fiscal year showed revenues of \$23,413,888 and expenditures of \$21,569,827, while the actual results for fiscal year ending June 30, 2015, indicated revenues of \$24,345,812 and expenditures of \$20,895,108. (Sch. 3) The local economy improved in Oconee County. Primary factors were low unemployment, new revenue sources through small business activity and increased commercial site construction. Sales Tax revenue has increased over the period and economic activity has improved. The opening of the Epps Bridge Centre in Oconee County will generate sales tax and in turn boost the County's economy. Additionally, House Bill 386 was passed by the 2012 Georgia General Assembly and provided a new method of taxation for motor vehicles, commonly referred to as Title Ad Valorem Tax or TAVT. This bill became effective March 1, 2013. Vehicles purchased after March 1, 2013 are exempt from Sales Tax and the ad valorem tax (aka "birthday tax"). These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the TAVT. This fee is calculated by multiplying the fair market value by 7.0% in 2015.

For a detailed overview of Oconee County's Capital Assets, the reader is referred to Notes to the Financial Statements, Note 3. For Long-term Debt Obligations, the reader is referred to Note 6. Additionally, Oconee County is utilizing Water and Sewer Revenue Bonds to supplement SPLOST funding as a means to assist in providing for future infrastructure, water sources and sewer needs.

Component Units

Separately issued financial statements for the Oconee County Health Department, a discretely presented component unit of the County, provide more detailed information about the financial position and results of the Health Department. These statements can be obtained by contacting the Health Department at:

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

Separately issued financial statements for the Oconee County Industrial Development Authority, a blended component unit of the County, provide more detailed information about the financial position and the results of the Industrial Development Authority. These statements can be obtained by contacting the Industrial Development Authority at:

Oconee County Industrial Development Authority
Post Office Box 1527
Watkinsville, Georgia 30677

Oconee County, Georgia
For the Year Ended June 30, 2015

Table 1
Net Position
(in Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2014	2015	2014	2015	2014	2015
Assets						
Current & Other Assets	21.34	20.70	24.42	24.96	45.76	45.66
Capital Assets, Net	91.55	90.09	83.87	89.99	175.42	180.08
Total Assets	112.89	110.79	108.29	114.95	221.18	225.74
Deferred Outflows of Resources						
Deferred Amount on Debt Refunding	0.74	0.70	0.39	0.99	1.13	1.69
Deferred Outflow Related to Pensions	0.00	0.10	0.00	0.01	0.00	0.11
Total Assets and Deferred Outflows	113.63	111.59	108.68	115.95	222.31	227.54
Liabilities						
Current & Other Liabilities	2.46	1.31	2.20	2.03	4.66	3.34
Long-Term Liabilities						
Due Within One Year	1.61	0.81	1.68	1.96	3.29	2.77
Due in More Than One Year	21.74	26.70	39.45	40.90	61.19	67.60
Total Liabilities	25.81	28.82	43.33	44.89	69.14	73.71
Net Position						
Net Investment in Capital Assets	79.93	80.71	52.38	57.06	132.31	137.77
Restricted						
Capital Projects	7.95	8.78	0.00	0.00	7.95	8.78
Judicial	0.09	0.10	0.00	0.00	0.09	0.10
Public Safety	0.16	0.16	0.00	0.00	0.16	0.16
Debt Service	0.00	0.00	2.84	3.04	2.84	3.04
Other Purposes	0.21	0.20	0.00	0.00	0.21	0.20
Unrestricted	(0.53)	(7.18)	10.13	10.96	9.60	3.78
Total Net Position	87.81	82.77	65.35	71.05	153.16	153.82

Oconee County, Georgia
For the Year Ended June 30, 2015

Table 2
Changes in Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenue						
Program Revenues:						
Charges for Services	4.65	4.60	9.43	9.59	14.08	14.19
Operating Grants & Contributions	0.66	0.62	0.01	0.00	0.67	0.62
Capital Grants & Contributions	3.76	3.10	2.22	2.56	5.98	5.66
General Revenues:						
Property Taxes	10.95	11.48			10.95	11.48
Sales Taxes	11.69	12.66			11.69	12.66
Intangible Taxes	0.42	0.48			0.42	0.48
Business Taxes	1.41	1.48			1.41	1.48
Franchise Fees	0.27	0.30			0.27	0.30
Other Taxes	0.17	0.18			0.17	0.18
Investment Earnings	0.02	0.02	0.02	0.02	0.04	0.04
Gain on Disposal of Capital Asset	0.19	0.09	0.00	0.00	0.19	0.09
Total Revenues	34.19	35.01	11.68	12.17	45.87	47.18
Program Expenses						
General Government	5.84	6.09			5.84	6.09
Judicial	2.04	2.06			2.04	2.06
Public Safety	9.37	9.56			9.37	9.56
Public Works	7.31	6.44			7.31	6.44
Health & Welfare	0.70	0.73			0.70	0.73
Culture & Recreation	3.57	3.61			3.57	3.61
Housing & Development	1.29	1.54			1.29	1.54
Interest & Fiscal Charges	0.77	0.71			0.77	0.71
Water & Sewer			6.15	6.43	6.15	6.43
Solid Waste			0.38	0.47	0.38	0.47
Special Facilities			0.66	0.47	0.66	0.47
Total Expenses	30.90	30.74	7.19	7.37	38.09	38.11
Excess (Deficiency) Before Transfers & Contributions	3.29	4.27	4.49	4.80	7.78	9.07
Total Transfers	(1.14)	(1.83)	1.14	1.83	0.00	0.01
Changes in Net Position	2.15	2.45	5.63	6.63	7.78	9.07
Net Position, Beginning	85.66	87.81	59.71	65.35	145.37	153.16
Prior Period Adj-Implementation GASB 68	0.00	(7.49)	0.00	(0.93)	0.00	(8.42)
Net Position, Beginning, as Restated	85.66	80.32	59.71	64.42	145.37	144.74
Net Position, Ending	87.81	82.77	65.35	71.05	153.16	153.83

Basic Financial Statements

Oconee County, Georgia
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total	Health Department
ASSETS				
Cash (Note 2)	\$ 5,784,397	\$ 5,241,182	\$ 11,025,579	\$ 533,538
Investments, plus accrued interest (Note 2)	13,265,662	3,422,388	16,688,050	-
Accounts receivable, net	254,466	857,616	1,112,082	36,697
Taxes receivable, net	191,000	-	191,000	-
Internal balances (Note 4)	(504,651)	504,651	-	-
Due from other governments	1,372,324	88,248	1,460,572	-
Prepaid expenses	196,875	14,233	211,108	-
Restricted cash (Note 2)	11,910	1,444,689	1,456,599	-
Restricted investments (Note 2)	-	3,653,913	3,653,913	-
OPEB benefit (Note 10)	122,009	-	122,009	-
Investment - UOBWA, net (Note 5)	-	9,724,064	9,724,064	-
Capital assets (Note 3)				
Capital assets not being depreciated	20,973,914	34,631,855	55,605,769	-
Capital assets, net of accumulated depreciation	69,120,974	55,363,967	124,484,941	23,559
Total assets	110,788,880	114,946,806	225,735,686	593,794
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on debt refunding	699,850	989,862	1,689,712	-
Deferred outflow related to pensions (Note 9)	105,054	13,315	118,369	77,133
Total assets and deferred outflows	111,593,784	115,949,983	227,543,767	670,927
LIABILITIES				
Accounts payable	753,362	248,878	1,002,240	43,613
Accounts payable from restricted assets	11,910	117,172	129,082	-
Retainage payable	-	401,827	401,827	-
Salaries and benefits payable	268,020	39,045	307,065	-
Customer deposits	-	693,937	693,937	-
Accrued interest	284,827	526,594	811,421	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	805,000	1,962,698	2,767,698	-
Compensated absences	-	-	-	9,604
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	19,237,242	39,952,299	59,189,541	-
Net pension liability (Note 9)	6,820,739	841,938	7,662,677	414,403
Compensated absences	642,381	110,988	753,369	45,548
Total liabilities	28,823,481	44,895,376	73,718,857	513,168
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	-	-	-	103,487
NET POSITION				
Net investment in capital assets	80,712,417	57,055,896	137,768,313	23,559
Restricted for:				
Capital projects	8,776,044	-	8,776,044	-
Judicial	100,076	-	100,076	-
Public safety	158,213	-	158,213	-
Debt service	-	3,039,805	3,039,805	-
Other purposes	200,727	-	200,727	-
Unrestricted	(7,177,174)	10,958,906	3,781,732	30,713
Total net position	\$ 82,770,303	\$ 71,054,607	\$ 153,824,910	\$ 54,272

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

Oconee County, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Health Department
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental:								
General government	\$ 6,088,942	\$ 888,201	\$ 22,833	\$ -	\$ (5,177,908)		\$ (5,177,908)	
Judicial	2,055,039	725,159	297,550	-	(1,032,330)		(1,032,330)	
Public safety	9,557,703	943,378	73,287	-	(8,541,038)		(8,541,038)	
Public works	6,444,242	22,029	130	3,101,155	(3,320,928)		(3,320,928)	
Health and welfare	733,432	-	174,589	-	(558,843)		(558,843)	
Culture and recreation	3,608,666	1,171,935	42,457	-	(2,394,274)		(2,394,274)	
Housing and development	1,535,136	852,719	11,000	-	(671,417)		(671,417)	
Interest and fiscal charges	713,231	-	-	-	(713,231)		(713,231)	
Total governmental activities	30,736,391	4,603,421	621,846	3,101,155	(22,409,969)		(22,409,969)	
Business-type:								
Water and sewer	6,434,558	9,224,254	-	2,561,041		\$ 5,350,737	5,350,737	
Solid waste	469,502	182,057	-	-		(287,445)	(287,445)	
Special facilities	469,964	187,898	-	-		(282,066)	(282,066)	
Total business-type activities	7,374,024	9,594,209	-	2,561,041		4,781,226	4,781,226	
Component units:								
Oconee County Health Department	724,870	435,401	340,111	-				\$ 50,642
Total Oconee County	\$ 38,835,285	\$ 14,633,031	\$ 961,957	\$ 5,662,196	(22,409,969)	4,781,226	(17,628,743)	
General revenues:								
Taxes								
Property taxes, levied for general purposes					11,479,429	-	11,479,429	-
Sales tax					12,654,226	-	12,654,226	-
Intangible tax					481,724	-	481,724	-
Business taxes					1,481,778	-	1,481,778	-
Franchise taxes					296,657	-	296,657	-
Other taxes					177,528	-	177,528	-
Investment earnings					19,278	24,131	43,409	1,219
Gain on disposal of capital assets					91,280	-	91,280	-
Transfers					(1,825,608)	1,825,608	-	-
Total general revenues and transfers					24,856,292	1,849,739	26,706,031	1,219
Change in net position					2,446,323	6,630,965	9,077,288	51,861
Net position - beginning, as originally reported					87,809,393	65,348,340	153,157,733	469,900
Change in accounting principle (Note 17)					(7,485,413)	(924,698)	(8,410,111)	(467,489)
Net position - beginning, as restated					80,323,980	64,423,642	144,747,622	2,411
Net position - ending					\$ 82,770,303	\$ 71,054,607	\$ 153,824,910	\$ 54,272

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

Oconee County, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	SPLOST 2009 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash (Note 2)	\$ 1,169,552	\$ 3,105,050	\$ 1,509,795	\$ 5,784,397
Investments (Note 2)	9,597,212	-	3,668,450	13,265,662
Accounts receivable, net	129,422	-	125,044	254,466
Taxes receivable, net	189,948	-	1,052	191,000
Internal balances (Note 4)	250,079	760,599	299,541	1,310,219
Due from other governments	674,024	564,687	133,613	1,372,324
Prepaid items	189,854	-	7,021	196,875
Restricted cash (Note 2)	11,910	-	-	11,910
Total assets	\$ 12,212,001	\$ 4,430,336	\$ 5,744,516	\$ 22,386,853
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 360,188	\$ 186,272	\$ 206,902	\$ 753,362
Internal balances (Note 4)	1,642,162	10,269	162,439	1,814,870
Salaries and benefits payable	244,013	-	24,007	268,020
Bonds and deposits payable from restricted cash	11,910	-	-	11,910
Total liabilities	2,258,273	196,541	393,348	2,848,162
Deferred inflows of resources:				
Unavailable property taxes	182,380	-	1,025	183,405
Unavailable grant reimbursements	52,600	-	-	52,600
Total deferred inflows	234,980	-	1,025	236,005
Fund balances:				
Nonspendable	189,854	-	7,021	196,875
Restricted				
Capital projects	428,762	4,233,795	4,113,487	8,776,044
Judicial	-	-	100,076	100,076
Public safety	-	-	158,213	158,213
Culture and recreation	-	-	52,377	52,377
Housing and development	-	-	148,350	148,350
Committed				
Public works	2,887,023	-	-	2,887,023
Assigned				
Subsequent years' budget	603,059	-	-	603,059
Health and welfare	-	-	98,707	98,707
Housing and development	-	-	677,604	677,604
Unassigned	5,610,050	-	(5,692)	5,604,358
Total fund balances	9,718,748	4,233,795	5,350,143	19,302,686
Total liabilities, deferred inflows, and fund balances	\$ 12,212,001	\$ 4,430,336	\$ 5,744,516	\$ 22,386,853

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

Oconee County, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total *fund* balances for governmental funds (Exhibit 3) \$ 19,302,686

Total *net position* reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Capital assets not being depreciated	20,973,914	
Capital assets, net of depreciation	69,120,974	
Total capital assets		90,094,888

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable property taxes in the funds. 183,405

Grant reimbursements are recorded as revenue once the costs for the grant are incurred under the accrual basis of accounting used on the Statement of Net Position. The reimbursements must be received in time to liquidate current obligations to be considered available and reported as revenue in the funds. This adjustment represents revenue not received in time to be considered available. 52,600

Deferred outflows of resources related to pensions represent differences between actual and projected income that accounting standards require be amortized into income over future periods. These deferrals do not constitute current financial resources and are not reported in the funds. 105,054

The County has made payments of current financial resources for its other postemployment benefits that exceed the normal cost and amortized past service cost of the benefits calculated under the full accrual method of accounting. The total excess payments are reported as an asset on the government wide statements. 122,009

Gains and losses on the refunding of debt issuances are amortized into income during the shorter of the remaining life of the refunded debt or the life of the new debt issuance. The unamortized loss is reported as a deferred outflow of resources. 699,850

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:

Accrued interest	\$ (284,827)	
Bonds, notes, and capital leases payable	(20,042,242)	
Net pension liability	(6,820,739)	
Compensated absences - long-term	(642,381)	
Total long-term liabilities		(27,790,189)

Total net position of governmental activities (Exhibit 1) \$ 82,770,303

Oconee County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	SPLOST 2009 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 19,811,956	\$ 6,453,900	\$ 151,775	\$ 26,417,631
Licenses and permits	752,143	-	-	752,143
Intergovernmental revenue	819,545	-	435,064	1,254,609
Charges for services	2,487,303	-	1,034,090	3,521,393
Fines and forfeitures	357,318	-	56,447	413,765
Investment income	17,048	5,506	7,828	30,382
Contributions and donations	1,034	-	97,323	98,357
Miscellaneous	99,465	-	20,519	119,984
Total revenues	24,345,812	6,459,406	1,803,046	32,608,264
EXPENDITURES				
Current:				
General government	4,937,332	-	4,469	4,941,801
Judicial	1,644,581	-	432,810	2,077,391
Public safety	7,253,628	-	1,571,346	8,824,974
Public works	2,632,489	-	226,138	2,858,627
Health and welfare	242,710	-	511,996	754,706
Culture and recreation	2,950,639	-	27,057	2,977,696
Housing and development	1,233,729	-	156,814	1,390,543
Debt service:				
Principal payments	-	2,254,126	410,000	2,664,126
Interest and fiscal charges	-	446,149	292,113	738,262
Capital outlay:				
General government	-	-	24,888	24,888
Public safety	-	1,875	192,308	194,183
Public works	-	1,260,703	136,625	1,397,328
Culture and recreation	-	233,653	21,862	255,515
Housing and development	-	-	115,736	115,736
Intergovernmental	-	917,099	-	917,099
Total expenditures	20,895,108	5,113,605	4,124,162	30,132,875
Excess (deficiency) of revenues over/ (under) expenditures	3,450,704	1,345,801	(2,321,116)	2,475,389
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	109,837	-	-	109,837
Transfers in	329,000	760,599	1,681,889	2,771,488
Transfers (out)	(3,327,595)	(921,811)	(52,690)	(4,302,096)
Total other financing sources (uses)	(2,888,758)	(161,212)	1,629,199	(1,420,771)
Net change in fund balances	561,946	1,184,589	(691,917)	1,054,618
Fund balances - beginning	9,156,802	3,049,206	6,042,060	18,248,068
Fund balances - ending	\$ 9,718,748	\$ 4,233,795	\$ 5,350,143	\$ 19,302,686

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

Oconee County, Georgia
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Net change in <i>fund</i> balances - total governmental funds (Exhibit 4)	\$ 1,054,618
The change in <i>net position</i> reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,138,264) is exceeded by depreciation (\$4,870,506) in the current period.	(3,732,242)
In the Statement of Activities, only the gain or loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed (net of accumulated depreciation).	(27,267)
Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projected and actual earnings, changes in assumptions, changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by:	408,213
Under the full accrual method, postemployment benefits expenses are recorded as the benefits are earned. These benefits are recognized as expenditures in the funds as they become a claim on current financial resources. The County accrued the increase in the OPEB obligation which represents the difference between the actuarially determined OPEB costs and the current payment of financial resources.	36,057
Governmental funds do not recognize all tax revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual basis and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the net difference in revenue between the accrual basis used in the government-wide statements and the modified accrual basis used in the funds.	(23,818)
Governmental funds do not recognize certain other revenues not collected within 60 days of year end. However, the Statement of Activities uses the accrual basis, and, thus, the entire amount is recognized as revenue, regardless of the collection date. This is the net difference in revenue between the accrual basis used in the government-wide statements and the modified accrual basis used in the funds.	(259,554)

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, 2015

Contributions of assets that do not constitute financial resources are not reported as revenue in the funds, but are reported as capital grants and contributions in the government-wide Statement of Activities because this statement reports revenue on the full accrual basis. This adjustment represents the estimated fair market value of assets contributed to the County.		2,600,862
In governmental funds, capital assets are not recorded in the fund. Thus, a transfer of an asset to the Water & Sewer Fund has no effect on the governmental fund. However, the Statement of Activities recognizes a transfer related to the transfer of the asset.		(295,000)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Additionally, interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The amounts of the items that comprise these differences in the treatment of long-term debt and related items are:		
Principal repayment	2,664,126	
Accrued interest on debt	44,033	
Amortization of deferred amount on bond refunding	(38,881)	
Amortization of bond premiums and discounts	<u>19,878</u>	
		2,689,156
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net change of the compensated absences account.		<u>(4,702)</u>
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 2,446,323</u></u>

Oconee County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Funds		Total
	Water and Sewer Fund	Other Enterprise Funds	
ASSETS			
Current assets:			
Cash (Note 2)	\$ 5,229,443	\$ 11,739	\$ 5,241,182
Investments, plus accrued interest (Note 2)	3,422,388	-	3,422,388
Accounts receivable, net of allowance of \$75,540	849,312	8,304	857,616
Internal balances (Note 4)	10,269	611,961	622,230
Due from other governments	88,248	-	88,248
Prepaid items	9,257	4,976	14,233
Total current assets	<u>9,608,917</u>	<u>636,980</u>	<u>10,245,897</u>
Noncurrent assets:			
Restricted cash (Note 2)	1,444,689	-	1,444,689
Restricted investments (Note 2)	3,653,913	-	3,653,913
Investment - UOBWA, net (Note 5)	9,724,064	-	9,724,064
Capital assets (Note 3)			
Capital assets not being depreciated	34,481,855	150,000	34,631,855
Capital assets, net of accumulated depreciation	53,701,115	1,662,852	55,363,967
Total capital assets	<u>88,182,970</u>	<u>1,812,852</u>	<u>89,995,822</u>
Total noncurrent assets	<u>103,005,636</u>	<u>1,812,852</u>	<u>104,818,488</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	989,862	-	989,862
Deferred outflow related to pensions (Note 9)	10,128	3,187	13,315
Total deferred outflows	<u>999,990</u>	<u>3,187</u>	<u>1,003,177</u>
Total assets and deferred outflows	<u>113,614,543</u>	<u>2,453,019</u>	<u>116,067,562</u>
LIABILITIES			
Current liabilities:			
Accounts payable	165,422	83,456	248,878
Accounts payable-construction from restricted investments	117,172	-	117,172
Retainage payable	401,827	-	401,827
Internal balances (Note 4)	117,579	-	117,579
Salaries and benefits payable	25,029	14,016	39,045
Customer deposits-payable from restricted cash	693,937	-	693,937
Accrued interest	526,594	-	526,594
Bonds, notes and contracts payable (Note 7)	1,962,698	-	1,962,698
Total current liabilities	<u>4,010,258</u>	<u>97,472</u>	<u>4,107,730</u>
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	39,952,299	-	39,952,299
Net pension liability (Note 9)	530,989	310,949	841,938
Compensated absences (Note 7)	84,591	26,397	110,988
Total noncurrent liabilities	<u>40,567,879</u>	<u>337,346</u>	<u>40,905,225</u>
Total liabilities	<u>44,578,137</u>	<u>434,818</u>	<u>45,012,955</u>
NET POSITION			
Net investment in capital assets	55,243,044	1,812,852	57,055,896
Restricted for debt service	3,039,805	-	3,039,805
Unrestricted	10,753,557	205,349	10,958,906
Total net position	<u>\$ 69,036,406</u>	<u>\$ 2,018,201</u>	<u>\$ 71,054,607</u>

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

Oconee County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Other Enterprise Funds	Total
OPERATING REVENUES			
Charges for services	\$ 7,900,647	\$ 250,179	\$ 8,150,826
Licenses and permits	-	8,000	8,000
Rents and royalties	-	111,576	111,576
Miscellaneous	248,847	200	249,047
Total operating revenues	8,149,494	369,955	8,519,449
OPERATING EXPENSES			
Salaries and benefits	1,346,804	405,779	1,752,583
Other contracted services	101,628	263,697	365,325
Water purchase and treatment costs	1,100,819	-	1,100,819
Supplies and materials	83,649	34,468	118,117
Repairs and maintenance	665,893	56,872	722,765
Utilities	351,022	66,272	417,294
Insurance	11,153	7,807	18,960
Depreciation	1,601,277	76,910	1,678,187
Other charges	217,150	27,661	244,811
Total operating expenses	5,479,395	939,466	6,418,861
Operating income (loss)	2,670,099	(569,511)	2,100,588
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	24,131	-	24,131
Water availability fees	736,798	-	736,798
Sewer capacity fees	298,712	-	298,712
Sewer connection fees	39,250	-	39,250
Amortization expense - UOBWA	(167,378)	-	(167,378)
Interest expense	(787,785)	-	(787,785)
Total nonoperating revenue (expenses)	143,728	-	143,728
Income (loss) before contributions and transfers	2,813,827	(569,511)	2,244,316
Capital contributions	2,856,041	-	2,856,041
Transfers in	921,811	903,797	1,825,608
Transfers (out)	(295,000)	-	(295,000)
Change in net position	6,296,679	334,286	6,630,965
Total net position - beginning, as originally reported	63,330,139	2,018,201	65,348,340
Change in accounting principle (Note 17)	(590,412)	(334,286)	(924,698)
Total net position - beginning, as restated	62,739,727	1,683,915	64,423,642
Total net position - ending	\$ 69,036,406	\$ 2,018,201	\$ 71,054,607

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

Oconee County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 8,103,691	\$ 378,183	\$ 8,481,874
Payments to suppliers	(2,576,723)	(402,327)	(2,979,050)
Payments to employees	(1,371,640)	(428,857)	(1,800,497)
Receipts from others	248,844	-	248,844
Net cash provided (used) by operating activities	4,404,172	(453,001)	3,951,171
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	455,796	455,796
Interfund loans - proceeds and collections	(78)	-	(78)
Net cash provided (used) by noncapital financing activities	(78)	455,796	455,718
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(6,034,704)	-	(6,034,704)
Transfers in used for construction of capital assets	626,810	-	626,810
Proceeds from issuance of debt	4,600,330	-	4,600,330
Principal payments on debt	(1,780,763)	-	(1,780,763)
Interest payments on debt	(1,615,067)	-	(1,615,067)
Sewer capacity and connection fees from customers	1,074,760	-	1,074,760
Net cash used for capital and related financing activities	(3,128,634)	-	(3,128,634)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	24,134	-	24,134
Purchase of investments	(1,170,627)	-	(1,170,627)
Proceeds from sale of investments	559,677	-	559,677
Net cash used by investing activities	(586,816)	-	(586,816)
Net change in cash	688,644	2,795	691,439
Cash - beginning	5,985,488	8,944	5,994,432
Cash - end	\$ 6,674,132	\$ 11,739	\$ 6,685,871
Displayed as:			
Cash	\$ 5,229,443	\$ 11,739	\$ 5,241,182
Restricted cash - noncurrent	1,444,689	-	1,444,689
	\$ 6,674,132	\$ 11,739	\$ 6,685,871
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 2,670,099	\$ (569,511)	\$ 2,100,588
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,601,277	76,910	1,678,187
Change in assets and liabilities:			
Receivables, net	132,050	4,192	136,242
Prepaid items	(393)	(210)	(603)
Due from other governments	(80,813)	4,036	(76,777)
Accounts payable	35,794	54,660	90,454
Accrued expenses	6,231	4,446	10,677
Customer deposits	70,994	-	70,994
Compensated absences	8,379	(15,111)	(6,732)
Net pension liability	(39,446)	(12,413)	(51,859)
Net cash provided (used) by operating activities	\$ 4,404,172	\$ (453,001)	\$ 3,951,171
Non-cash investing, capital and financing activities:			
Discount on GEFA note	\$ 1,638,502	\$ -	\$ 1,638,502
Contribution of water system assets	922,539	-	922,539
Transfer of construction cost from governmental activities	295,000	-	295,000
Change in investment value related to debt refinancing	946,064	-	946,064

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

Oconee County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

ASSETS	Agency Funds
Cash	<u>\$ 422,826</u>
Total assets	<u>422,826</u>
 LIABILITIES	
Due to others	<u>422,826</u>
Total liabilities	<u>422,826</u>
NET POSITION	<u><u>\$ -</u></u>

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

Notes to Financial Statements

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, the financial statements of the reporting entity include those of Oconee County (the primary government) and its component units. The County implemented the guidance of GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*, which amends some of the provisions of Statement 14, as of July 1, 2012. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

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

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

Oconee County Health Department - The Health Department was created by state legislative act in 1964 to provide various health related programs such as immunization, family planning, and nutrition services. It operates under an Executive Officer and a seven member board comprised of the following: the Chairman of the Board of Commissioners, the Oconee County School Superintendent, and the Mayor of the City of Watkinsville, three at-large members appointed by the County, and one at-large member appointed by the City of Watkinsville. Because the County appoints a majority of the Health Department's board and provides funding in support of the Health Department, it is reported as discretely presented component unit of the County.

The County made appropriations to the Health Department totaling \$90,175 during the year.

The Health Department issues its own financial statements and it has a June 30 fiscal year end. Complete financial statements of the individual component units can be obtained from its administrative offices at:

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

Blended Component Units - Based on the GASB criteria, the Oconee County Industrial Development Authority (OCIDA) qualifies as a blended component unit.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies, continued

Oconee County Industrial Development Authority - The financial operations of 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 its Series 2012 Industrial Revenue 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.

The OCIDA issues its own financial statements and has a June 30 year end. Complete financial statements of the OCIDA can be obtained from its administrative offices at:

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPLOST 2009 – This is a capital projects fund established to account for all special local option sales tax revenues collected as a result of the County's 2009 SPLOST referendum as well as the specifically identified projects for which the SPLOST tax was established.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies, continued

The County reports the following major enterprise fund:

Water and Sewer Fund – This fund accounts for the operation, maintenance and development of the County’s water and sewer system.

The County reports the following fiduciary fund type:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the agency funds of the County at year-end: Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be *available* if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources, as they are needed.

C. Budgets and Budgetary Accounting

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

1. Prior to the May Commissioners’ meeting, department heads must submit their requests for budgets for the coming year.
2. The Board of Commissioners meets with each department head to discuss their requests and make necessary adjustments.
3. The revised requests are reviewed at the May Commissioners’ meeting.
4. The final budget is approved at the June Commissioners’ meeting.
5. Department heads may make lateral changes to the budget within their department. Any increase in total departmental budgets, however, must be approved by the Board of Commissioners.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies, continued

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles, but is adopted at the department level and presented as such in the financials. A reconciliation from the department level to current expenditures, debt service expenditures and transfers out is provided. An annual budget is adopted for the General Fund, Special Revenue Funds and Capital Projects Funds. An operating budget is prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is used by the County. There were no outstanding encumbrances at year-end.

E. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All bank deposits must be collateralized by an amount equal to 110% of uninsured deposits of the State of Georgia or U.S. obligations or direct loans to the County. General Fund cash balances in excess of amounts required for the County's daily operating activities were invested in either the State of Georgia Local Government Investment Pool or Certificates of Deposit during the fiscal year.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments that represent certificates of deposits with an original maturity greater than 90 days are recorded at cost plus accrued interest, which approximates market value. Investments with quoted market prices, such as obligations of the federal government, are reported at the quoted market price.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material. Water and Sewer Fund allowances for uncollectible accounts, netted with accounts receivable, were \$75,540 as of year-end.

G. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes as well as the taxes for the County School District and several cities within the County. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes were levied on August 26, 2014. The collection period for property taxes was September 15, 2014 through November 15, 2014. Taxes receivable at June 30, 2015 amounted to \$191,000 while unavailable property taxes totaled \$183,405.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies, continued

I. Capital Assets

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

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

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

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

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

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

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

K. Restricted Assets

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

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 1: Summary of Significant Accounting Policies, continued

L. Fund Equity

The governmental funds report the following five categories of fund balance: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Board of Commissioners. Oconee County Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Oconee County Board of Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Through board action, the Board of Commissioners has authorized the Finance Director to assign fund balances.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance or net position is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

Note 2: Deposits and Investments

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy regarding custodial credit risk is to comply with the state law requiring collateralization of uninsured deposits up to 110% of the value of the deposits. As of June 30, 2015, none of the County's deposits was exposed to custodial credit risk.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 2: Deposits and Investments, continued

Restricted Cash

At year-end, the County had the following restricted cash:

<u>Purpose</u>	<u>Balance</u>
<u>General Fund</u>	
Liability bonds payable	\$ 11,910
<u>Water and Sewer Fund</u>	
Debt service reserve 2009 bonds	749,529
Debt service reserve 2012 bonds	293,333
Construction proceeds - WCWSA 2012 GEFA	401,827
Restricted cash - noncurrent	\$ 1,444,689

Investments

Credit Risk

Georgia law authorizes local governments to invest in the following types of obligations:

Obligations of the State of Georgia or any other states;

 Obligations issued by the United States;

 Obligations fully insured or guaranteed by the United States government or governmental agency;

 Obligations of any corporation of the United States Government;

 Prime bankers' acceptances;

 The State of Georgia Local Government Investment Pool;

 Repurchase agreements; and

 Obligations of other political subdivisions of the State of Georgia.

The County has no investment policy that would further limit its investment choices. As of June 30, 2015, the County had \$18,408,703 invested in Georgia Fund 1. Georgia Fund 1, created by *O.C.G.A. 36-83-8*, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940, but is not considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool is managed by the Office of the State Treasurer. Its primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. The County had no investments that met this requirement at year-end.

Foreign Currency Risk

The County is not exposed to foreign currency risks as all deposits and investments are denominated in US dollars.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 2: Deposits and Investments, continued

At year-end, the County had the following investments:

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	56 days	\$ 1,492,393
Certificates of deposit		12 month	1,929,995
			<u>3,422,388</u>
 <u>General Fund</u>			
Georgia Fund 1	AAAf	56 days	9,597,212
 <u>SPLOST 2004 Fund</u>			
Georgia Fund 1	AAAf	56 days	3,668,450
	Total unrestricted		<u>16,688,050</u>
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	56 days	3,650,648
Fidelity Treasury Money Market Shares	AAAm	53 days	3,265
	Total restricted		<u>3,653,913</u>
	Total investments		<u>\$ 20,341,963</u>

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

The source of the restricted investments held by the County's Water and Sewer Fund is as follows:

<u>Water and Sewer Fund</u>		
Construction proceeds 2008 WCWSA Contract Payable		\$ 966,638
Debt service reserve 2008 WCWSA Contract Payable		1,410,372
Sinking Fund 2008 WCWSA Contract Payable		583,306
Debt service reserve 2003 bonds		3,265
Customer deposits		690,332
Restricted investments - noncurrent		<u>\$ 3,653,913</u>

Custodial Credit Risk-Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the investments held by the County are either insured or registered in the name of the County. The County has no policy on custodial credit risk for investments.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

<u>Primary Government</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,759,938	\$ -	\$ -	\$ 11,759,938
Construction in progress	8,642,161	498,705	357,290	8,783,576
Intangibles	-	430,400	-	430,400
Total capital assets not being depreciated	<u>20,402,099</u>	<u>929,105</u>	<u>357,290</u>	<u>20,973,914</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	107,102,591	2,170,463	-	109,273,054
Buildings and improvements	43,652,233	187,083	54,212	43,785,104
Equipment, furniture and vehicles	14,840,730	514,767	449,346	14,906,151
Total capital assets being depreciated	<u>165,595,554</u>	<u>2,872,313</u>	<u>503,558</u>	<u>167,964,309</u>
Less accumulated depreciation for:				
Infrastructure	71,549,436	2,663,000	-	74,212,436
Buildings and improvements	11,632,378	1,444,167	26,945	13,049,600
Equipment, furniture and vehicles	11,267,306	763,339	449,346	11,581,299
Total accumulated depreciation	<u>94,449,120</u>	<u>4,870,506</u>	<u>476,291</u>	<u>98,843,335</u>
Total capital assets being depreciated, net	<u>71,146,434</u>	<u>(1,998,193)</u>	<u>27,267</u>	<u>69,120,974</u>
Governmental activity capital assets, net	<u>\$ 91,548,533</u>	<u>\$ (1,069,088)</u>	<u>\$ 384,557</u>	<u>\$ 90,094,888</u>

Depreciation expense was charged to functions as follows:

General government	\$ 341,290
Judicial	7,841
Public safety	953,042
Public works	2,810,682
Health and welfare	40,113
Culture and recreation	664,298
Housing and development	53,240
Total governmental activities depreciation expense	<u>\$ 4,870,506</u>

Total interest cost incurred for governmental activities was \$713,231. All of the interest cost incurred for governmental activities was expensed.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 3: Capital Assets, continued

Business-type Activities:

Water and Sewer Fund:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 3,442,714	\$ -	\$ -	\$ 3,442,714
Construction in progress	25,287,920	6,810,087	1,117,162	30,980,845
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	<u>28,788,930</u>	<u>6,810,087</u>	<u>1,117,162</u>	<u>34,481,855</u>
Capital assets being depreciated:				
Treatment and distribution system	73,853,179	2,050,585	-	75,903,764
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	1,007,853	64,234	15,309	1,056,778
Total capital assets being depreciated	<u>75,157,168</u>	<u>2,114,819</u>	<u>15,309</u>	<u>77,256,678</u>
Less accumulated depreciation for:				
Treatment and distribution system	20,962,811	1,553,161	-	22,515,972
Buildings and improvements	114,668	9,533	-	124,201
Equipment, furniture and vehicles	892,116	38,583	15,309	915,390
Total accumulated depreciation	<u>21,969,595</u>	<u>1,601,277</u>	<u>15,309</u>	<u>23,555,563</u>
Capital assets being depreciated, net	<u>53,187,573</u>	<u>513,542</u>	<u>-</u>	<u>53,701,115</u>
Water and sewer capital assets, net	<u>81,976,503</u>	<u>7,323,629</u>	<u>1,117,162</u>	<u>88,182,970</u>

Total Non-major Business-type Activities

Capital assets not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets not being depreciated	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Capital assets being depreciated:				
Land improvements	44,865	-	-	44,865
Buildings and improvements	2,836,369	-	-	2,836,369
Equipment, furniture and vehicles	278,978	-	-	278,978
Total capital assets being depreciated	<u>3,160,212</u>	<u>-</u>	<u>-</u>	<u>3,160,212</u>
Less accumulated depreciation for:				
Land improvements	31,234	1,588	-	32,822
Buildings and improvements	1,186,780	63,538	-	1,250,318
Equipment, furniture and vehicles	202,438	11,782	-	214,220
Total accumulated depreciation	<u>1,420,452</u>	<u>76,908</u>	<u>-</u>	<u>1,497,360</u>
Capital assets being depreciated, net	<u>1,739,760</u>	<u>(76,908)</u>	<u>-</u>	<u>1,662,852</u>
Total non-major business-type activities, net	<u>1,889,760</u>	<u>(76,908)</u>	<u>-</u>	<u>1,812,852</u>
Business-type activities capital assets, net	<u>\$ 83,866,263</u>	<u>\$ 7,246,721</u>	<u>\$ 1,117,162</u>	<u>\$ 89,995,822</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 4: Interfund Balances and Activity

Interfund balances

Interfund balances at June 30, 2015 consist of the following:

	Due from:				
	SPLOST 2009				
Due to:	General Fund	Capital Projects Fund	Non-major Gov't Funds	Water & Sewer Fund	Total
<u>Governmental funds</u>					
General Fund	\$ -	\$ -	\$ 132,500	\$ 117,579	\$ 250,079
SPLOST 2009	760,599	-	-	-	760,599
Non-major Gov't Funds	269,602	-	29,939	-	299,541
<u>Enterprise funds</u>					
Water and Sewer Fund	-	10,269	-	-	10,269
Non-major Enterprise Funds	611,961	-	-	-	611,961
	<u>\$ 1,642,162</u>	<u>\$ 10,269</u>	<u>\$ 162,439</u>	<u>\$ 117,579</u>	<u>\$ 1,932,449</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed or are the result of the General Fund maintaining the cash for another fund. Balances that are the result transactions between funds are the result of current transactions and will be settled within the next year. Balances in which the General Fund is the custodian for cash belonging to another fund will be settled when the resources are expended by the fund that has the economic claim on the cash.

The General Fund owed the SPLOST 2009 Fund \$760,599 as a reimbursement for funding on a road project that was originally planned to be a SPLOST project, but management later determined that the project would not be funded by SPLOST. The General Fund reimbursed the SPLOST fund after year-end, so an internal balance was still present at year-end.

The implementation of the new pension accounting standard required the non-major enterprise funds to record significant net pension liabilities. The General Fund reported a transfer to these funds to cover the newly reported liabilities, but the money had not been transferred at year-end which resulted in a \$611,961 liability in the General Fund.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 4: Interfund Balances and Activity, continued

Transfers to/from Other Funds

Transfers Out:	Transfers in:					Total
	General Fund	SPLOST 2009 Fund	Nonmajor Gov't Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 760,599	\$ 1,663,199	\$ -	\$ 903,797	\$ 3,327,595
SPLOST 2009	-	-	-	921,811	-	921,811
Water & Sewer Fund	295,000	-	-	-	-	295,000
Non-major Gov't Funds	34,000	-	18,690	-	-	52,690
	<u>\$ 329,000</u>	<u>\$ 760,599</u>	<u>\$ 1,681,889</u>	<u>\$ 921,811</u>	<u>\$ 903,797</u>	<u>\$ 4,597,096</u>

The county's funds regularly make transfers into funds that are legally required to account for certain expenditures as well as to facilitate the payment of certain expenditures that have multiple funding sources. The nonmajor governmental funds transfers were generally to assist with debt service payments that were made from the General Fund and to transfer money into the funds that are legally required to account for certain expenditures.

The General Fund transferred out \$1,663,199 to nonmajor gov't funds and \$903,797 to nonmajor enterprise funds to assist in the daily fund operations and to fund capital projects. Included in the transfers from the General Fund to the nonmajor gov't funds are transfers to the E-911 fund used to supplement the E-911 system. The transfers to the nonmajor enterprise funds include a transfer recorded as an internal balance to assist those funds in meeting their pension obligations as those amounts are paid. The General Fund reported a \$760,599 transfer to the SPLOST 2009 fund to reimburse costs that were paid from the SPLOST fund during the prior year that the County determined should have been paid from the General Fund.

The SPLOST 2009 Fund transferred \$921,811 to the Water and Sewer Fund to assist with capital projects as was approved by the voters in the 2009 SPLOST referendum. The Water and Sewer Fund transferred \$295,000 to the General Fund to reimburse the General Fund for payments that it made toward water and sewer projects. The governmental activities transferred the cost of the water and sewer project at the government-wide level. The transfer was reported as a capital contribution in the water and sewer fund and as a reduction of the business-type activities transfers out at the government-wide level.

Note 5: Other Assets

Investment in Upper Oconee Basin Water Authority

The County, along with three other counties, is a member of the Upper Oconee Basin Water Authority (UOBWA). The purpose of this venture was to construct a reservoir and water treatment plant that would provide water for the counties involved. Each government is responsible for a pro-rata share of the costs based on population.

In 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 Note 7.

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.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 5: Other Assets, continued

Investment in UOBWA at year-end 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
	<u>11,898,535</u>
Accumulated amortization	<u>(2,174,471)</u>
Investment in UOBWA, net	<u><u>\$ 9,724,064</u></u>

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

Note 6: Unavailable Grant Reimbursement

The County received a grant from the Georgia Department of Transportation (GDOT) to assist in funding the widening of Mars Hill Road. One of the requirements for receiving reimbursement under that grant is that the grant reimbursements be of sufficient size before they are submitted to the GDOT. The County accumulated \$52,600 of unreimbursed cost as of June 30. Because the reimbursement of costs incurred through June 30 was not received by the County soon enough to be considered “available”, the County did not report revenue under the modified accrual basis of accounting in the general fund. Revenue was reported in the governmental activities on the statement of activities because there is no requirement that the funds be “available” under the accrual basis of accounting.

Note 7: Long-term Obligations

Governmental Activities

Categories of Debt

General Obligation Bonds

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

In September 2011, the County issued \$10,095,000 of Series 2011 Oconee County, Georgia General Obligation Bonds with coupon rates ranging from 1.5% to 5.5%. The proceeds were used to advance refund the remaining outstanding balance of \$9,805,000 of the Series 2003 Oconee County, Georgia General Obligation Bonds. The Series 2011 bonds were issued at a premium of \$428,875 and had issuance costs of \$211,235. The County had net proceeds of \$10,312,550 most of which was deposited into an irrevocable escrow account to pay the required principal and interest payments on the Series 2003 bonds as they come due. Because the County has placed an amount sufficient to retire the Series 2003 bonds in an irrevocable escrow, these bonds are considered defeased and have been removed from the statement of net position. The Series 2003 bonds had a net carrying value of \$9,766,627 at the time that they were defeased by placing \$10,311,448 into the irrevocable escrow account. The \$544,491 difference has been included netted against the Series 2011 bonds and is being amortized over the life of the new debt. The County will save \$745,129 of debt service costs over the 22 years that the new debt is outstanding. The savings have a net present value of \$695,597.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Contract Payable - OCIDA

During March 2012, the Oconee County Industrial Development Authority (a blended component unit of the County) issued \$10,380,000 of Series 2012 Revenue Bonds with coupon rates ranging from 2% to 4%. The proceeds from these bonds were used to provide incentives for a large private employer to locate a factory within the county. The bonds are repayable solely through the proceeds of an intergovernmental contract which calls for the County to make all of the required debt service payments on the bonds. Pursuant to this contract, the County has agreed to assess property taxes sufficient to make all of the required debt service payments provided that the necessary taxes will not exceed one mill per dollar of assessed value. Because the County is unconditionally liable for the payment of the debt, a contract payable for the entire present value of the debt is reported on the Statement of Net Position. Because the OCIDA is only responsible for repayment of the bonds to the extent it receives payment under the intergovernmental agreement, the bonds are not reported as a liability of the OCIDA. The General Fund is providing the funding to retire this liability.

Installment Note

On June 29, 2006, the County and the Association County Commissioners of Georgia (ACCG) entered into a \$9,000,000 Installment Sale Agreement with Wells Fargo for financing of a 130 bed jail in Oconee County, as authorized by *O.C.G.A. 36-60-13*. The Installment Sale Agreement includes interest payments at a rate of 3.85% per annum, is renewable annually and originally called for the principal and interest to be payable in 120 monthly installments of approximately \$90,737. During fiscal year 2008, Amendment One to the Installment Sale Agreement was executed as a result of a \$1.1 million principal pre-payment.

As a result of this pre-payment, the monthly installments dropped to \$90,116 and the note was repaid in February 2015. . This Installment Sale Agreement was paid in full during 2015.

Capital Leases

On May 5, 2010, the County entered into a \$3,200,000 lease-purchase agreement for establishing a new 700/800 MHz regional radio communication system. The lease is for a period of six years at an interest rate of 3.65% and was liquidated by payments from the SPLOST 2009 Capital Projects Fund. The assets received under the lease are depreciated under the County's capital asset depreciation policy and the resulting expense is reported as a component of depreciation expense. This capital lease was paid in full during fiscal year 2015.

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 \$21,180,809, made up of three issues. The Authority receives an annual administrative fee of \$10,000 in connection with the issuance of the Series 2012 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.

OCIDA also issued \$10,380,000 of Series 2012 Industrial Revenue Bonds. The proceeds from these bonds were used to provide incentives for a large private employer to locate with Oconee County. At year-end, \$9,970,000 of the bonds were outstanding. The County has agreed to pay all of the debt service costs associated with this bond issuance as part of intergovernmental agreement between OCIDA and the County. The Series 2012 bonds provide that the only source of repayment is the payments made by the County pursuant to the intergovernmental agreement. The County reports a long term liability in its governmental activities for these bonds. Further disclosure related to these bonds is located in the "Contract Payable - OCIDA" section of this note disclosure.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Business-type Activities

Revenue Bonds

Series 2003 Bonds

In July 2003, the County issued Series 2003 Water and Sewerage Revenue Bonds in the amount of \$9,375,000, with interest rates ranging from 1.35% to 4.5%. The bonds are being repaid through operating revenues of the Water and Sewer Enterprise Fund, in principal installments of \$215,000 to \$1,480,000. The proceeds of the issue have been used to purchase the land on which the LAS site is located (the County was previously leasing this property), to refinance the GEFA loan, to pay the premium for a surety bond that will fund the debt service reserve, to pay the premium for a municipal bond new issue insurance policy and to pay the costs of issuing the Series 2003 Bonds. The remaining proceeds were used to finance additions, improvements, extensions and expansions of the water and sewer system of the County. The majority of the Series 2003 bonds were advance refunded by the County's issuance of the Series 2012 bonds. At year-end, the Series 2003 Bonds had an outstanding balance of \$100,000. Interest of 4% is due semiannually on the outstanding balance until September 2024 when the outstanding interest and principal are due.

Series 2009 Bonds

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

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

Series 2012 Bonds

During July 2012, the County issued \$6,740,000 of Series 2012 Oconee County, Georgia Water and Sewerage Refunding Revenue Bonds with coupon rates ranging from 2% to 5%. The bonds were issued at a premium of \$1,295,000 with issuance costs of \$177,500 which yielded net proceeds of \$7,857,500. The proceeds of these bonds were used to advance refund \$7,390,000 of the remaining outstanding balance of the Series 2003 Oconee County, Georgia Water and Sewerage Revenue Bonds. Assets sufficient to pay the \$7,390,000 of Series 2003 Bonds were placed in escrow upon the closing of the Series 2012 Bonds. These assets were paid out of escrow and the \$7,390,000 of Series 2003 Bonds were retired during September 2012. After the refunding, the Series 2003 bonds had a remaining outstanding balance of \$360,000. As of year-end, the Series 2003 Water and Sewer Revenue Bonds had an outstanding balance of \$100,000.

Prior to the refunding, the total cash flows required to retire the refunded portion of the Series 2003 Bonds was \$10,223,233. The total cash flows required to retire the Series 2012 Bonds is \$9,529,903. The economic gain on refunding is calculated by discounting the total cash flow savings to their present value using the average yield of the Series 2012 Bonds as the discount rate. The economic gain on refunding was \$671,223. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference amounted to \$557,730 and is being charged to interest expense through the year 2020 using the straight-line method.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Contract Payable- UOBWA

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

In March 2005, Oconee County entered into an additional supplemental contract with the Upper Oconee Basin Water Authority (UOBWA). This contract indicated that the UOBWA would issue Revenue Refunding Bonds, Series 2005, in the principal amount of \$48,155,000 in order to advance refund the UOBWA's Series 1997 Bonds maturing in the years 2009 and thereafter and to pay certain expenses incident to the issuance of the Bonds. The Series 2005 bonds were refunded by the issuance of the Series 2015 Revenue Refunding Bonds.

In April 2015, the UOBWA issued 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 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 difference between the UOBWA's carrying value of the Series 2005 Bonds and related accounts was \$1,680,765 less than the issuance price of the Series 2015 Bonds, including the issuance premium. UOBWA recorded this difference as a deferred amount on refunding. The County's share of this difference is \$352,272 and is included in the amount entitled "deferred amount on debt refunding" on the Water and Sewer statement of net position. This amount will be amortized to interest expense over the life of the Series 2015 Bonds. The payments that the County will make toward the Series 2015 bonds are \$2,545,268 lower than the payments that would have been required under the Series 2005 bonds. The County's share of the economic gain on the refunding of the UOBWA bonds is \$2,132,922.

Contract Payable – WCWSA

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

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

WCWSA and the County agreed that based on the a reevaluation of the costs that each had incurred on the HLC project that the County would make payments that would satisfy the debt service requirements for \$18,822,851 of the total Series 2008 bonds. The reduction in the amount that the contract requires the County to make also resulted in a reduction in the County's claim on the unspent proceeds of the Series 2008 bonds. Accordingly, the change did not affect the net position of the Water and Sewer Fund. A portion of the Series 2008 bonds were refunded through the issuance of new bonds in July 2015. See Note 16 for a more complete discussion of the post year-end refunding of the 2008 bonds.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Notes Payable – GEFA

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 year-end, the entire note balance had been drawn and was outstanding. The note calls for no interest to be paid during the construction period, which continues until September 2015. During the repayment period, annual interest only payments at 1% interest will be made. All remaining outstanding interest and the outstanding principal will be paid in one payment on December 31, 2052.

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 year-end, WCWSA had drawn \$6,167,446 on the note and the County's share was \$1,776,224. All of the money drawn during the year was still outstanding at year-end. The note calls for no interest to be paid during the construction period, which continues until August 2017. From that date, the County will make 60 monthly interest only payments with interest accruing at 2%. Afterward, the County will make equal 419 monthly principal and interest payments of an amount sufficient to pay the interest accruing at 2% and all principal due under the note. Based on current borrowings, these monthly payments would be \$5,894.

Because the notes bear interest at rates that differ substantially from the market interest rate available to the County, the accounting standards required 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. This discount will be amortized to interest expense over the life of the loan.

Changes in long-term obligations for the year ended June 30, 2015 are as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Governmental activities:					
Contract payable - OCIDA	\$ 10,380,000	\$ -	\$ 410,000	\$ 9,970,000	\$ 415,000
Less: discount	(10,619)	-	(540)	(10,079)	-
Net contract payable	10,369,381	-	409,460	9,959,921	415,000
General obligation bonds	9,775,000	-	50,000	9,725,000	390,000
Issuance premiums	377,740	-	20,419	357,321	-
Total bonds payable	10,152,740	-	70,419	10,082,321	390,000
Compensated absences	637,679	391,056	386,354	642,381	-
Capital Leases	1,493,662	-	1,493,662	-	-
Installment note payable	710,464	-	710,464	-	-
Net pension liability	7,123,898	1,172,500	1,475,659	6,820,739	-
Total governmental activities	<u>\$ 30,487,824</u>	<u>\$ 1,563,556</u>	<u>\$ 4,546,018</u>	<u>\$ 27,505,362</u>	<u>\$ 805,000</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Business-type activities:					
Notes payable - GEFA	\$ 2,935,894	\$ 4,600,331	\$ -	\$ 7,536,225	\$ -
Less: discounts on GEFA notes	(1,381,473)	(1,638,502)	-	(3,019,975)	-
Total notes payable	<u>1,554,421</u>	<u>2,961,829</u>	<u>-</u>	<u>4,516,250</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	7,640,603	-	1,357,095	6,283,508	445,379
Plus: issuance premium	-	692,766	-	692,766	-
WCWSA Contract payable	18,822,852	-	452,866	18,369,986	467,319
Less: issuance discount	(109,557)	-	(4,613)	(104,944)	-
Total contracts payable	<u>26,353,898</u>	<u>692,766</u>	<u>1,805,348</u>	<u>25,241,316</u>	<u>912,698</u>
Bonds payable:					
Revenue bonds	11,910,000	-	800,000	11,110,000	1,050,000
Deferred amounts:					
Issuance discounts	(2,009)	-	(223)	(1,786)	-
Issuance premiums	1,188,825	-	139,608	1,049,217	-
Total bonds payable	<u>13,096,816</u>	<u>-</u>	<u>939,385</u>	<u>12,157,431</u>	<u>1,050,000</u>
Compensated absences - Water	76,212	30,986	22,607	84,591	-
Compensated absences - Nonmajor	40,009	16,849	30,461	26,397	-
Net pension liability - Water	560,307	113,417	142,735	530,989	-
Net pension liability - Nonmajor	320,175	35,691	44,917	310,949	-
Total Business-type activities	<u>\$ 42,001,838</u>	<u>\$ 3,851,538</u>	<u>\$ 2,985,453</u>	<u>\$ 42,867,923</u>	<u>\$ 1,962,698</u>

The business-type bonds payable amounts reported above consist of the following individual revenue bond issues:

	2003 Series	2009 Series	2012 Series	Total
Outstanding bond payable	\$ 100,000	\$ 4,270,000	\$ 6,740,000	\$ 11,110,000
Unamortized discount	(1,786)	-	-	(1,786)
Unamortized premium	-	94,703	954,514	1,049,217
Net total	<u>\$ 98,214</u>	<u>\$ 4,364,703</u>	<u>\$ 7,694,514</u>	<u>\$ 12,157,431</u>

All business-type notes, contracts and bonds payable presented above represent liabilities of the Water and Sewer Fund.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2015 are as follows:

Governmental activities

Year Ending June 30,	General Obligation Bonds		Contract Payable - OCIDA	
	Principal	Interest	Principal	Interest
2016	\$ 390,000	\$ 380,380	\$ 415,000	\$ 283,912
2017	400,000	371,235	425,000	273,862
2018	415,000	351,235	440,000	261,112
2019	435,000	330,485	445,000	252,312
2020	445,000	313,085	455,000	243,412
2021 - 2025	2,520,000	1,245,075	2,435,000	1,055,694
2026 - 2030	3,020,000	721,536	2,790,000	704,365
2031 - 2034	2,100,000	161,210	2,565,000	233,151
	<u>\$ 9,725,000</u>	<u>\$ 3,874,241</u>	<u>\$ 9,970,000</u>	<u>\$ 3,307,820</u>

Business-type activities

Year Ending June 30,	Water and Sewer Fund					
	2003 Revenue Bonds		2009 Revenue Bonds		2012 Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ -	\$ 4,500	\$ 820,000	\$ 152,963	\$ 230,000	\$ 302,700
2017	-	4,500	845,000	126,931	240,000	298,000
2018	-	4,500	870,000	95,800	250,000	291,850
2019	-	4,500	900,000	55,900	265,000	284,125
2020	-	4,500	835,000	16,700	380,000	274,450
2021 - 2024	100,000	20,250	-	-	5,375,000	546,625
	<u>\$ 100,000</u>	<u>\$ 42,750</u>	<u>\$ 4,270,000</u>	<u>\$ 448,294</u>	<u>\$ 6,740,000</u>	<u>\$ 1,997,750</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 7: Long-term Obligations, continued

Year Ending June 30,	Contract Payable - UOBWA		Contract Payable - WCWSA		Notes Payable - GEFA	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 445,379	\$ 129,160	\$ 467,319	\$ 884,016	\$ -	\$ 14,346
2017	452,714	120,005	486,590	865,324	-	57,865
2018	461,098	110,699	505,861	845,860	-	57,865
2019	474,721	101,221	525,132	825,626	-	90,429
2020	489,393	91,463	549,221	803,964	-	93,389
2021 - 2025	2,704,759	299,894	3,126,704	3,638,159	105,629	463,983
2026 - 2030	1,255,444	39,032	3,960,170	2,800,544	196,036	446,908
2031 - 2035	-	-	5,063,429	1,705,475	216,635	426,309
2036 - 2040	-	-	3,685,560	374,337	239,399	403,545
2041 - 2045	-	-	-	-	264,555	378,389
2046 - 2050	-	-	-	-	292,354	350,590
2051 - 2055	-	-	-	-	6,083,074	204,140
2056 - 2058	-	-	-	-	138,543	2,905
	<u>\$ 6,283,508</u>	<u>\$ 891,474</u>	<u>\$ 18,369,986</u>	<u>\$ 12,743,305</u>	<u>\$ 7,536,225</u>	<u>\$ 2,990,663</u>

Debt Covenants

The bond and note indentures contain significant limitations and restrictions on annual debt service requirements, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage ratios. Management believes the County is in compliance with all such significant financial limitations and restrictions.

Capitalization of Interest

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

	Total interest costs incurred	Interest costs capitalized	Interest expensed
Business-type activities:			
Water and Sewer Fund	<u>\$ 1,665,138</u>	<u>\$ 877,353</u>	<u>\$ 787,785</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 8: Net Position Restricted By Enabling Legislation

In 2003 and 2009, referendums were passed providing for a 1% sales tax to be used by the County for various construction projects.

Additionally, the County maintains several special revenue funds to account for activities that have revenues that are restricted by Georgia law.

The County reports restrictions on the use of the remaining fund balance in the funds as follows:

Capital projects	\$ 8,086,351
Judicial	91,527
Public safety	84,058
Housing and Development	148,350
	<u>\$ 8,410,286</u>

Note 9: Retirement Benefits

Defined Benefit Pension Plan

The County provides a defined benefit retirement program for its employees.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Oconee County Employees (The Plan). The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan Third Restate Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Complete financial statements for The Plan can be obtained directly from the plan administrator at:

GEBCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after ten years of service. Participants employed before August 2010 become eligible to retire at age 65 with 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 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.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

Plan Asset Mix and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in cash value of death benefits. Plan member contributions are recognized when due and the County has made a formal commitment to provide the contributions.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties except for current receivables of plan contributions due from the County.

Plan Membership

Retirees, beneficiaries and disabled receiving benefits	77
Terminated plan members entitled to but not receiving benefits	92
Active plan members	<u>202</u>
Total	<u><u>371</u></u>
Covered compensation for active participants	\$ 8,409,345

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the employer and its plan members. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement. The County's actuarially required contribution was \$1,603,961 and its actual contribution was \$1,781,612, or 111% of the required contribution and 21.2% of the covered compensation. The County paid its contribution during December 2014, so the County reported no payable and the plan reported no receivable for amounts due for the 2014 plan year.

Net Pension Liability

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2014 and the *net pension liability* was measured as of the same date. The December 31, 2014 actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement as follows:

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

Actuarial Methods and Assumptions

Investment return 7.50%
Salary increases 5.00% with an age based scale as follows:

<u>Age</u>	<u>Salary increase</u>
Under 30	5.0% plus 1.5%
30-39	5.0% plus 1.0%
40-49	5.0% less 0.5%
50+	5.0% less 1.0%

Future payroll growth 5.50% per year

No cost of living adjustments are awarded after retirement.

Mortality: RP-2000, Combined

Discount Rate

The discount rate is determined using a building block approach based on 20-year benchmarks (25% weighting), 30-year benchmarks (25% weighting), and forward-looking capital market assumptions for moderate asset allocations as determined by UBS (50% weighting). The discount rate is rounded to the nearest 0.25%.

The discount rate is calculated as follows:

	<u>Expected return</u>	<u>Weighting</u>	<u>Weighted return</u>
20-year benchmark weighted average return	7.44%	25%	1.86%
30-year benchmark weighted average return	9.49%	25%	2.37%
UBS capital market moderate asset allocation assumption	6.30%	50%	<u>3.15%</u>
Calculated discount rate			<u><u>7.38%</u></u>
Rounded to the nearest 0.25% and used as the discount rate			7.50%

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

Benchmark	Allocation	Average 20 Year Return	Average 30 Year Return
S&P 500	30%	8.80%	10.74%
Barclay's Agg.	30%	5.75%	7.80%
MCSE EAFE	15%	5.44%	9.51%
Citi Non US WEBI	5%	5.48%	5.48%
NAREIT Equity	5%	9.91%	11.35%
Russell 2000	5%	8.96%	9.37%
Russell 3000	5%	8.89%	10.58%
S&P Mid-cap	5%	11.83%	13.21%
	<u>100%</u>		
Weighted average return		7.44%	9.49%

The above calculated discount rate was used to calculate both the beginning and ending total pension liability. The average contribution made to the plan over the last 5 years was used to project plan assets. The projected plan assets are sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all projected promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

Because of the sensitivity of the calculation of the total pension liability to relatively small changes in the discount rate, the total pension liability calculated using discount rates one percentage point higher and lower than the discount rates actually used to calculate the total pension liability follows:

	Discount Rate Sensitivity Analysis	
	6.50%	8.50%
Total Pension Liability	\$ 25,348,590	\$ 19,568,607
Fiduciary Net Position	<u>14,530,746</u>	<u>14,530,746</u>
Net Pension Liability	<u>\$ 10,817,844</u>	<u>\$ 5,037,861</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

Summary of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability

The changes in the total pension liability from the beginning to the ending of the year are as follows:

Summary of Changes	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning of year	\$ 20,916,657	\$ 12,912,277	\$ 8,004,380
Service cost	662,925	-	662,925
Interest on total pension liability	1,534,234	-	1,534,234
Employer contributions	-	1,781,612	(1,781,612)
Net investment income	-	849,702	(849,702)
Benefit payments	(920,393)	(920,393)	-
Administrative expenses	-	(41,842)	41,842
Other expense	-	(50,610)	50,610
End of year	<u>\$ 22,193,423</u>	<u>\$ 14,530,746</u>	<u>\$ 7,662,677</u>

Calculation of Net Pension Liability

The beginning and ending net pension liability is calculated as follows:

	Beginning	Ending
Total Pension Liability	\$ 20,916,657	\$ 22,193,423
Fiduciary Net Position	<u>12,912,277</u>	<u>14,530,746</u>
Net Pension Liability	<u>\$ 8,004,380</u>	<u>\$ 7,662,677</u>

Pension Expense, Deferred Outflows Related to Pension Items and Deferred Inflows Related to Pension Items

The following schedule reconciles the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension contributions	\$ 1,781,612
Change in net pension liability	(341,703)
Deferred outflow related to investment results	(147,548)
Amortization of deferred outflows	<u>29,510</u>
Pension expense	<u>\$ 1,321,871</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on Plan investments	118,369	-
	<u>\$ 118,369</u>	<u>\$ -</u>

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The expected amortization of the County's current deferred outflows and inflows over the next five years is:

Year ended June 30,	Experience Difference	Assumption Change	Investment Results Difference
2016	\$ -	\$ -	\$ 29,593
2017	-	-	29,592
2018	-	-	29,592
2019	-	-	29,592
2020	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,369</u>

Deferred Compensation Plan

The County offers employees the Oconee County Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan is administered by an independent third party plan administrator. As a result, the assets and liabilities of the plan are not recorded on the County's financial statements. All contributions to this plan are voluntary employee contributions.

Defined Contribution Plan

The County has also established the Oconee County 401(a) Defined Contribution Plan through adoption of the ACCG 401(a) Defined Contribution Program. The plan was established to provide benefits at retirement to Oconee County employees. There are no employee or employer contributions at this time. The County has delegated certain administrative responsibilities to ACCG, or its designee. Plan provisions are established and may be amended by the Board of Commissioners.

In addition, the following pension and retirement plans are in effect, but are not under the direct control of the County:

Extension Service Employees Retirement Plan

Employees of the Oconee County Agricultural Extension Service are covered under the Teachers Retirement System of Georgia. The General Fund contributes 9.24% of these employees' compensation to their pension fund.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 9: Retirement Benefits, continued

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan that requires that certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

Note 10: Other Postemployment Benefits (OPEB)

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires the recognition of certain postemployment obligations in the accrual basis financial statements of state and local governments. The purpose of the statement is to require local governments to recognize the cost of promised postemployment benefits as those benefits are earned by employees. Consequently, the expense recorded in the accrual basis statements of the County reports the actuarially determined cost of benefits earned this year plus an amortization component of benefits earned in previous years. The actuarial valuation of the County's postemployment benefits amortizes the cost of the previously earned benefits over 25 years

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

The County contributes towards a retiree's Medicare supplement premium. Dependent cost is the responsibility of the retiree. The County allows retirees under age 65 to continue in the health plan the County maintains for its active employees. The County contributes an amount equal to the cost of a Medicare Supplement Premium towards the retiree's health benefit. During the fiscal year, expenditures of \$143,792 were recognized for retiree health care and Medicare supplements. The County has the following participants in its plan:

Retired participants	51
Active participants	-
Total participants	<u>51</u>

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 10: Other Postemployment Benefits (OPEB), continued

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

Retired participants	\$ 2,307,688
Active participants	<u>-</u>
Actuarial Accrued Liability (AAL)	2,307,688
Less: Present value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 2,307,688</u></u>

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

Normal cost (current service cost)	\$ -
Amortization of UAAL (share of past service cost)	<u>107,540</u>
Annual Required Contribution (ARC)	107,540
Interest on Net OPEB Obligation	(1,178)
Adjustment to Annual Required Contribution	<u>1,373</u>
Annual OPEB Cost	107,735
OPEB costs paid during year	<u>(143,792)</u>
Change in Net OPEB Obligation	(36,057)
Net OPEB Obligation/(Asset), beginning	<u>(85,952)</u>
Net OPEB Obligation/(Asset), ending	<u><u>\$ (122,009)</u></u>
Percentage of ARC contributed	134%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2013	\$ -	\$ 2,307,688	\$ 2,307,688	0%	\$ -	0%
7/1/2011	\$ -	\$ 2,790,731	\$ 2,790,731	0%	\$ -	0%
1/1/2009	\$ -	\$ 1,510,025	\$ 1,510,025	0%	\$ 9,248,619	16%

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 10: Other Postemployment Benefits (OPEB), continued

The valuation dates in 2011 and 2013 report no covered payroll because all of the covered beneficiaries on those dates were retirees. As mentioned earlier in this note, the County has limited participation in this program to former employees who retired by 2011.

Trend Information

Year Ended	OPEB Cost	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation/(Asset)
6/30/2015	\$ 107,735	\$ 143,792	133%	\$ (122,009)
6/30/2014	\$ 107,735	\$ 164,229	152%	\$ (85,952)
6/30/2013	\$ 121,696	\$ 153,889	126%	\$ (29,458)
6/30/2012	\$ 121,696	\$ 164,201	135%	\$ 2,735

Actuarial Assumptions and Methods

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

Valuation date	06/30/14
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	25 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return (includes 3% inflation)	4%
Medical cost trend rate	5% premium increase annually

The actuarial valuation used the same medical cost trend rate for all years.

Immediately following the notes is a required schedule of funding progress which presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 11: Risk Management

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Note 12: Landfill Costs

The Oconee County landfill received no solid waste after October 8, 1993. It currently operates only as a transfer station and was officially declared closed by the EPD in 1996. Thus, the County is only responsible for minor monitoring of the closed facility and is not subject to GASB 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs," which is based on the EPA rule that establishes thirty-year postclosure care requirements for landfills that accept solid waste after October 9, 1993.

Note 13: Contingencies and Commitments

Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

The County is a defendant in several lawsuits, which arose in the ordinary course of its activities. The County records liabilities resulting from such claims and litigation only when they become probable and measurable. No liability has been recorded for any of the lawsuits currently in process. However, the County attorney and the County's management believe that damages, if any, that are to be paid by the County in excess of insurance coverage will not be material to the financial statements.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 14: Joint Ventures

Northeast Georgia Regional Commission (RC)

Oconee County, Georgia, along with cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The Board is comprised of not less than two (2) or more than five (5) representatives of each member county served by the RC. The manner of selecting such representatives from each member county is as follows:

- * The chief elected official or the chair of the board of commissioners of each county served by the Center shall be a member (or a designated government official).
- * One elected or appointed municipal government official from each county served by the Center. The mayors of the municipalities in such county shall select the municipal representative of that county.
- * Not less than ten (10) or more than twenty (20) public members.
- * A minority representation, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest United States Census.

The Georgia Planning Act of 1989 (*O.C.G.A. 50-8-34*) defines RCs as “public agencies and instrumentalities of their members”. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (*O.C.G.A. 50-8-39.1*) Complete financial statements of the Northeast Georgia Regional Commission can be obtained directly from the RC’s administrative office at 305 Research Drive, Athens, Georgia 30605.

Note 15: Hotel Motel Lodging Tax

Oconee County, Georgia has levied a 6% lodging tax. During the year ended June 30, 2015, the County received \$151,775 in hotel motel tax revenue of this amount, 60% must be spent in accordance with O.C.G.A 48-13-51(a) (4). During the current fiscal year, the Hotel Motel Tax fund had \$130,809 in expenditures. Of these expenditures, \$70,490 was spent from the restricted portion of fund balance and \$60,319 was spent from the unrestricted portion of the tax (40%). At June 30, 2015, \$259,618 was the balance of restricted fund balance and restricted net position. This amount represents the restricted portion of the tax (60%) and will be spent in accordance with O.C.G.A 48-13-51(a) (4).

Note 16: Subsequent Event

Subsequent to year-end, the Walton County Water and Sewerage Authority (WCWSA) issued its Series 2015 Refunding Revenue Bonds in the amount of \$8,400,000 to partially refund its Series 2008 Revenue Bonds. An intergovernmental contract between the County and the WCWSA requires the County to make the principal and interest payments on the bonds as part of its contribution toward the construction of the Hard Labor Creek Reservoir. The bonds have an average yield of 2.89% and are projected to result in approximately \$995,000 in interest savings to the County over the life of the bonds.

Note 17: Implementation of GASB Statement No. 68 and GASB Statement No. 71

The County implemented the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* as of July 1, 2014. The implementation of these new standards affected the governmental activities of the government-wide level statements, but had no effect on the governmental funds. The County’s proprietary funds were within the scope of the new statement, but none of the participants in the County’s defined benefit pension plan work in activities accounted for in the County’s proprietary funds.

Oconee County, Georgia
Notes to the Financial Statements
June 30, 2015

Note 17: Implementation of GASB Statement No. 68 and GASB Statement No. 71, continued

The new standards require that the County's net position as of the beginning of the year be restated by eliminating the net pension benefit that the County previously reported under the reporting requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and recording the entirety of the County's net pension liability. The County did not report a deferred outflow of resources in the implementation of the new pension accounting standard because the County's pension contributions were made prior to the respective measurement dates of the net pension liability. The following schedule summarizes the changes in the County's beginning net position related to the implementation of GASB 68 and GASB 71:

	Governmental Activities	Water & Sewer Fund	Non-Major Business-Type Activities	Total Business-Type Activities
Beginning net pension liability	\$ (7,123,898)	\$ (560,307)	\$ (320,175)	\$ (880,482)
Write-off prior year net pension benefit	<u>(361,515)</u>	<u>(30,105)</u>	<u>(14,111)</u>	<u>(44,216)</u>
Change in beginning net position	<u><u>\$ (7,485,413)</u></u>	<u><u>\$ (590,412)</u></u>	<u><u>\$ (334,286)</u></u>	<u><u>\$ (924,698)</u></u>

The new accounting principle required that pension contributions reported in the funds be reduced by the change in the net pension liability resulting in total pension expense as follows:

	Governmental Activities	Water & Sewer Fund	Non-Major Business-Type Activities	Total Business-Type Activities
Pension contributions	\$ 1,580,722	\$ 152,925	\$ 48,103	\$ 201,028
Differences between contribution and pension expense	<u>(408,222)</u>	<u>(39,508)</u>	<u>(12,412)</u>	<u>(51,920)</u>
Pension expense	<u><u>\$ 1,172,500</u></u>	<u><u>\$ 113,417</u></u>	<u><u>\$ 35,691</u></u>	<u><u>\$ 149,108</u></u>

Changes in the concepts used in the accounting principle preclude the County from determining what the pension expense for the 2015 fiscal year would have been had the new principle not been effective. Pro forma amounts for pension expense that would have been reported had the standard been implemented for the fiscal year 2014 financial statements are not readily determinable. Pension expense during 2014 as reported under the previous accounting standard was:

	Governmental Activities	Water & Sewer Fund	Non-Major Business-Type Activities	Total Business-Type Activities
Prior year pension expense under previous accounting standard	\$ 1,352,994	\$ 120,364	\$ 41,297	\$ 161,661

Required Supplementary Information

Oconee County, Georgia
Required Supplementary Information
Retirement Plan - Schedule of Changes in the County's Net Pension Liability and Related Ratios

Changes in Total Pension Liability	Year Ended June 30, 2015
Total Pension Liability - beginning of year	\$ 20,916,657
Service cost	662,925
Interest on total pension liability	1,534,234
Benefit payments (adjusted for interest)	<u>(920,393)</u>
Total Pension Liability - end of year	<u>22,193,423</u>
 Changes in Fiduciary Net Position	
Fiduciary Net Position - beginning of year	12,912,277
Employer contributions	1,781,612
Net investment income	849,702
Benefit payments	(920,393)
Administrative expense	(41,842)
Other	<u>(50,610)</u>
Fiduciary Net Position - end of year	<u>14,530,746</u>
Net Pension Liability	<u><u>\$ 7,662,677</u></u>
Plan Fiduciary Net Position as a % of Total Pension Liability	65.47%
Covered payroll	\$ 8,409,345
Net Pension Liability as % of Covered Payroll	91.12%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

Schedule of County Pension Contributions

		Contributions in Relation to			Contributions as Percentage of
	Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Covered Employee Payroll
2015	\$ 1,754,892	\$ 1,781,612	\$ (26,720)	\$ 8,409,345	21.19%

Unavailable historical information is not required to be reported in the implementation year under GASB Statement No. 68. The information will be reported as it becomes available.

Oconee County, Georgia
Required Supplemental Information
Other Postemployment Benefits - Schedule of Funding Progress
June 30, 2015

OTHER POSTEMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
7/1/2013	\$ -	\$ 2,307,688	\$ 2,307,688	0.0%	\$ -	0.0%
7/1/2011	-	2,790,731	2,790,731	0.0%	-	0.0%
1/1/2009	-	1,510,025	1,510,025	0.0%	9,248,619	16.3%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6/30/15	\$ 107,735	\$ 143,792	133.5%
6/30/14	107,735	164,229	152.4%
6/30/13	121,537	153,889	126.6%
6/30/12	121,537	164,201	135.1%
6/30/11	70,324	90,488	128.7%
6/30/10	57,702	25,000	43.3%
6/30/09	640,255	25,000	3.9%

Oconee County, Georgia
Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (by Department) and Actual - General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 19,706,500	\$ 19,729,750	\$ 19,811,956	\$ 82,206
Licenses and permits	704,550	704,550	752,143	47,593
Intergovernmental revenue	45,000	45,000	819,545	774,545
Charges for services	2,528,950	2,528,950	2,487,303	(41,647)
Fines and forfeitures	315,500	315,500	357,318	41,818
Investment income	13,000	13,000	17,048	4,048
Contributions and donations	-	-	1,034	1,034
Miscellaneous	77,138	77,138	99,465	22,327
Total revenues	23,390,638	23,413,888	24,345,812	931,924
EXPENDITURES				
Department level:				
Commission	509,950	509,950	502,845	7,105
Administration	438,464	438,464	432,689	5,775
Human resources	459,814	459,814	457,964	1,850
Finance	613,941	613,941	547,731	66,210
Law enforcement	3,578,036	3,578,036	3,506,202	71,834
Jail	2,474,183	2,474,183	2,431,624	42,559
Tax commissioner	424,043	424,043	414,656	9,387
Probate court	439,545	439,545	435,507	4,038
Clerk of courts	702,241	702,241	698,212	4,029
Juvenile court	88,162	88,162	86,874	1,288
Superior court	369,808	369,808	325,886	43,922
District attorney	27,475	27,475	24,513	2,962
Magistrate court	78,238	78,238	76,822	1,416
Coroner	36,047	36,047	34,885	1,162
Tax assessor	589,097	589,097	578,439	10,658
Board of elections	204,405	204,405	202,262	2,143
Public works	3,110,776	2,353,776	2,173,111	180,665
Parks and recreation	2,496,589	2,519,839	2,487,123	32,716
Operations	1,706,351	1,706,351	1,687,714	18,637
Public safety	1,325,947	1,325,947	1,280,917	45,030
Planning	191,904	191,904	189,125	2,779
Code enforcement	762,893	762,893	751,403	11,490
Information technology	576,873	576,873	569,177	7,696
Community development	227,034	227,034	146,163	80,871
Joint governmental programs	871,761	871,761	853,264	18,497
Total expenditures	22,303,577	21,569,827	20,895,108	674,719
Excess of revenues over expenditures	1,087,061	1,844,061	3,450,704	1,606,643
OTHER FINANCING SOURCES (USES)				
Proceeds of capital asset dispositions	110,000	110,000	109,837	(163)
Transfers in	329,000	329,000	329,000	-
Transfers (out)	(2,303,290)	(3,358,890)	(3,327,595)	31,295
Total other financing sources (uses)	(1,864,290)	(2,919,890)	(2,888,758)	31,132
Net change in fund balances	(777,229)	(1,075,829)	561,946	1,637,775
Fund balance - beginning	9,156,802	9,156,802	9,156,802	-
Fund balances - ending	\$ 8,379,573	\$ 8,080,973	\$ 9,718,748	\$ 1,637,775

Oconee County, Georgia
Reconciliation of Budget Expenditures by Department to
GAAP Basis Budget - General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Current:				
General government:				
Commission	\$ 509,950	\$ 509,950	\$ 502,845	\$ 7,105
Administration	438,464	438,464	432,689	5,775
Human resources	459,814	459,814	457,964	1,850
Finance	613,941	613,941	547,731	66,210
Board of elections	204,405	204,405	202,262	2,143
Information technology	576,873	576,873	569,177	7,696
Tax commissioner	424,043	424,043	414,656	9,387
Tax assessor	589,097	589,097	578,439	10,658
Operations	1,244,001	1,244,001	1,228,336	15,665
Superior court - Board of equalization	5,500	5,500	3,233	2,267
Judicial:				
Superior court	364,308	364,308	322,653	41,655
Clerk of courts	702,241	702,241	698,212	4,029
District attorney	27,475	27,475	24,513	2,962
Magistrate court	78,238	78,238	76,822	1,416
Probate court	439,545	439,545	435,507	4,038
Juvenile court	88,162	88,162	86,874	1,288
Public safety:				
Law enforcement	3,578,036	3,578,036	3,506,202	71,834
Jail	2,474,183	2,474,183	2,431,624	42,559
Public safety	1,325,947	1,325,947	1,280,917	45,030
Coroner	36,047	36,047	34,885	1,162
Public works:				
Public works	3,110,776	2,353,776	2,173,111	180,665
County facilities	462,350	462,350	459,378	2,972
Health and welfare:				
Joint gov't programs-health and welfare	242,820	242,820	242,710	110
Culture and recreation:				
Parks and recreation	2,496,589	2,519,839	2,487,123	32,716
Joint gov't program-library	466,324	466,324	463,516	2,808
Housing and development:				
Community Development	227,034	227,034	146,163	80,871
Joint gov't program-development	162,617	162,617	147,038	15,579
Code enforcement	762,893	762,893	751,403	11,490
Planning	191,904	191,904	189,125	2,779
Total expenditures by department	<u>\$ 22,303,577</u>	<u>\$ 21,569,827</u>	<u>\$ 20,895,108</u>	<u>\$ 674,719</u>

Oconee County, Georgia
Notes to Required Supplementary Information
June 30, 2015

Related to the Pension Data

NOTE A: VALUATION DATE

The actuarially determined contribution rates are calculated as of January 1 of each year presented. The contributions are recorded during that year by the pension plan and the County and are paid using current financial resources directly following that year.

NOTE B: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age
Asset valuation method	5-year smoothed market
Amortization method	Level percentage compensation
Future payroll growth	5.50%
Investment rate of return	7.50%

NOTE C: CHANGES IN ASSUMPTIONS

The investment return was changed from 7.75% to 7.50% in 2014. The investment return was changed from 8.0% to 7.75% in 2009. All other years assumed an 8.0% investment return. Age and service based employee termination rates were updated to more closely reflect actual experience in 2014. The mortality table was changed from the 1983 GAM, sex distinct table to the RP-2000 combined table in 2014. Retirement rates were updated in 2014. The funding method was changed from Projected Unit Credit to Entry Age Normal in 2014.

NOTE D: HISTORICAL DATA

The adoption on GASB Statement No. 68 resulted in a number of new definitions and concepts regarding measuring pension liabilities. Statement 68 introduced the concept of a total pension liability and a fiduciary net position. While the County has historical data that might be similar to these two amounts, the calculation of the amounts that the County has differ enough that presenting this information might be misleading. Accordingly, the County has not presented historical information about the changes in the total pension liability or the fiduciary net position. Statement 68 also requires the County to present historical contribution data of its pension plan if the plan has calculated an "actuarially determined contribution". The County believes that the Annual Required Contribution as calculated by the actuaries of the plan prior to the implementation of Statement 68 is an actuarially determined contribution. Therefore, the County presented the comparison of its contribution to the actariially determined contribution for the past 10 years.

Related to the Budget to Actual Comparison

NOTE E: BASIS OF PRESENTATION

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

Supplementary Information

Governmental funds

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

Special Revenue Fund - The Special Revenue Fund accounts for the receipt of donations to the County for various uses and projects, as well as other funding paid to the County with specified purposes set forth for the funding.

Confiscated Assets - The Confiscated Assets Fund accounts for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Victims Services - The Victims Services and Forfeited Property Fund accounts for the receipt of the additional court costs assessed for the purpose of assisting victims and to cover the related salary costs.

Special Lighting District - The Special Lighting Districts Fund accounts for the fiscal activity relating to the providing of street lighting services within the County.

E-911 Emergency Telephone System - The E-911 Fund accounts for the fiscal activity related to the imposition, collection and uses of the E-911 emergency telephone number system fees.

Multiple Grant Fund - The Multiple Grant Fund accounts for the fiscal activity related to various small grants awarded to the County.

Hotel/Motel Tax Fund - The Hotel/Motel Tax Fund accounts for the hotel/motel taxes collected as required by general law that are legally restricted for promotion of trade and tourism in the County.

Industrial Development Authority - This fund accounts 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 Projects Funds account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

SPLOST 2004 Fund - This fund accounts for capital projects financed from SPLOST funds.

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

Industrial Development Capital Projects Fund - This fund accounts for all of the funds received and expended related to the Authority's issuance of its Series 2012 revenue bonds.

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,176,026	\$ 333,769	\$ 1,509,795
Investments, plus accrued interest	-	3,668,450	3,668,450
Accounts receivable, net	125,044	-	125,044
Taxes receivable, net	1,052	-	1,052
Internal balances	299,541	-	299,541
Due from other governments	133,613	-	133,613
Prepaid items	7,021	-	7,021
Total assets	\$ 1,742,297	\$ 4,002,219	\$ 5,744,516
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 206,902	\$ -	\$ 206,902
Internal balances	162,439	-	162,439
Salaries and benefits payable	24,007	-	24,007
Total liabilities	393,348	-	393,348
Deferred inflows of resources:			
Unavailable property taxes	1,025	-	1,025
Total deferred inflows	1,025	-	1,025
Fund balances:			
Nonspendable	7,021	-	7,021
Restricted			
Capital projects	111,268	4,002,219	4,113,487
Judicial	100,076	-	100,076
Public safety	158,213	-	158,213
Culture and recreation	52,377	-	52,377
Housing and development	148,350	-	148,350
Assigned			
Health and welfare	98,707	-	98,707
Housing and development	677,604	-	677,604
Unassigned	(5,692)	-	(5,692)
Total fund balances	1,347,924	4,002,219	5,350,143
Total liabilities, deferred inflows and fund balances	\$ 1,742,297	\$ 4,002,219	\$ 5,744,516

Oconee County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	Council on Aging	Law Library	Confiscated Assets	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
ASSETS											
Cash	\$ 151,908	\$ 93,782	\$ 12,802	\$ 229,923	\$ 4,660	\$ -	\$ -	\$ 1,375	\$ -	\$ 681,576	\$ 1,176,026
Accounts receivable, net	17,127	-	-	2,000	-	93,378	-	-	12,539	-	125,044
Taxes receivable, net	-	-	-	-	-	-	-	1,052	-	-	1,052
Internal balances	-	-	-	13,502	18,690	-	500	18,119	248,730	-	299,541
Due from other governments	-	-	-	-	122,363	-	11,250	-	-	-	133,613
Prepaid items	966	-	-	-	-	5,692	-	-	363	-	7,021
Total assets	<u>\$ 170,001</u>	<u>\$ 93,782</u>	<u>\$ 12,802</u>	<u>\$ 245,425</u>	<u>\$ 145,713</u>	<u>\$ 99,070</u>	<u>\$ 11,750</u>	<u>\$ 20,546</u>	<u>\$ 261,632</u>	<u>\$ 681,576</u>	<u>\$ 1,742,297</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 9,872	\$ 333	\$ -	\$ 5,194	\$ 145,029	\$ 22,340	\$ -	\$ 19,521	\$ 613	\$ 4,000	\$ 206,902
Internal balances	54,727	2,606	-	33,894	-	59,462	11,750	-	-	-	162,439
Salaries and benefits payable	5,729	-	-	-	-	17,268	-	-	1,010	-	24,007
Total liabilities	<u>70,328</u>	<u>2,939</u>	<u>-</u>	<u>39,088</u>	<u>145,029</u>	<u>99,070</u>	<u>11,750</u>	<u>19,521</u>	<u>1,623</u>	<u>4,000</u>	<u>393,348</u>
Deferred inflows of resources:											
Unavailable property taxes	-	-	-	-	-	-	-	1,025	-	-	1,025
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>1,025</u>
Fund balances:											
Nonspendable	966	-	-	-	-	5,692	-	-	363	-	7,021
Restricted											
Capital Projects	-	-	-	-	-	-	-	-	111,268	-	111,268
Judicial	-	90,843	-	8,549	684	-	-	-	-	-	100,076
Public safety	-	-	12,802	145,411	-	-	-	-	-	-	158,213
Culture and recreation	-	-	-	52,377	-	-	-	-	-	-	52,377
Housing and development	-	-	-	-	-	-	-	-	148,350	-	148,350
Assigned											
Health and welfare	98,707	-	-	-	-	-	-	-	-	-	98,707
Housing and development	-	-	-	-	-	-	-	-	28	677,576	677,604
Unassigned	-	-	-	-	-	(5,692)	-	-	-	-	(5,692)
Total fund balances	<u>99,673</u>	<u>90,843</u>	<u>12,802</u>	<u>206,337</u>	<u>684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,009</u>	<u>677,576</u>	<u>1,347,924</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 170,001</u>	<u>\$ 93,782</u>	<u>\$ 12,802</u>	<u>\$ 245,425</u>	<u>\$ 145,713</u>	<u>\$ 99,070</u>	<u>\$ 11,750</u>	<u>\$ 20,546</u>	<u>\$ 261,632</u>	<u>\$ 681,576</u>	<u>\$ 1,742,297</u>

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
June 30, 2015

	SPLOST 2004 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Cash	\$ 72,838	\$ -	260,931	\$ 333,769
Investments	3,668,450	-	-	3,668,450
Total assets	<u><u>\$ 3,741,288</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 260,931</u></u>	<u><u>\$ 4,002,219</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund balances:				
Restricted				
Capital projects	3,741,288	-	260,931	4,002,219
Total fund balances	<u><u>3,741,288</u></u>	<u><u>-</u></u>	<u><u>260,931</u></u>	<u><u>4,002,219</u></u>
Total liabilities and fund balances	<u><u>\$ 3,741,288</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 260,931</u></u>	<u><u>\$ 4,002,219</u></u>

Oconee County, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2015

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 151,775	\$ -	\$ 151,775
Intergovernmental revenue	435,064	-	435,064
Charges for services	1,034,090	-	1,034,090
Fines and forfeitures	56,447	-	56,447
Investment income	2,229	5,599	7,828
Contributions and donations	97,323	-	97,323
Miscellaneous	20,519	-	20,519
Total revenues	<u>1,797,447</u>	<u>5,599</u>	<u>1,803,046</u>
EXPENDITURES			
Current:			
General government	4,469	-	4,469
Judicial	432,810	-	432,810
Public safety	1,571,346	-	1,571,346
Public works	226,138	-	226,138
Health and welfare	511,996	-	511,996
Culture and recreation	27,057	-	27,057
Housing and development	156,814	-	156,814
Debt service:			
Principal payments	-	410,000	410,000
Interest and fiscal charges	-	292,113	292,113
Capital outlay			
General government	-	24,888	24,888
Public safety	-	192,308	192,308
Public works	-	136,625	136,625
Culture and recreation	-	21,862	21,862
Housing and development	-	115,736	115,736
Total expenditures	<u>2,930,630</u>	<u>1,193,532</u>	<u>4,124,162</u>
Deficiency of revenues under expenditures	<u>(1,133,183)</u>	<u>(1,187,933)</u>	<u>(2,321,116)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	1,306,206	375,683	1,681,889
Transfers (out)	(52,690)	-	(52,690)
Total other financing sources (uses)	<u>1,253,516</u>	<u>375,683</u>	<u>1,629,199</u>
Change in fund balances	120,333	(812,250)	(691,917)
Fund balances - beginning	<u>1,227,591</u>	<u>4,814,469</u>	<u>6,042,060</u>
Fund balances - ending	<u><u>\$ 1,347,924</u></u>	<u><u>\$ 4,002,219</u></u>	<u><u>\$ 5,350,143</u></u>

Oconee County, Georgia
Nonmajor Governmental Funds - Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2015

	Council on Aging	Law Library	Confiscated Assets	Special Revenue Fund	Victims Services and Forfeited Property	E-911	Multiple Grant Fund	Special Lighting District	Hotel/Motel Tax	Industrial Development Authority	Total Nonmajor Special Revenue Funds
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,775	\$ -	\$ 151,775
Intergovernmental revenue	109,200	-	-	2,000	260,176	-	63,688	-	-	-	435,064
Charges for services	-	-	-	35,292	-	701,878	-	177,528	-	119,392	1,034,090
Fines and forfeitures	-	18,216	367	14,705	23,159	-	-	-	-	-	56,447
Investment income	144	85	31	424	-	-	-	-	-	1,545	2,229
Contributions and donations	-	-	150	96,173	-	-	-	-	-	1,000	97,323
Total revenues	129,733	18,301	548	148,724	283,335	701,878	63,688	177,528	151,775	121,937	1,797,447
EXPENDITURES											
Current:											
General government	-	-	-	4,469	-	-	-	-	-	-	4,469
Judicial	-	10,934	-	340	421,536	-	-	-	-	-	432,810
Public safety	-	-	21,019	70,103	-	1,461,536	18,688	-	-	-	1,571,346
Public works	-	-	-	-	-	-	-	226,138	-	-	226,138
Health and welfare	466,996	-	-	-	-	-	45,000	-	-	-	511,996
Culture and recreation	-	-	-	27,057	-	-	-	-	-	-	27,057
Housing and development	-	-	-	-	-	-	-	-	130,809	26,005	156,814
Total expenditures	466,996	10,934	21,019	101,969	421,536	1,461,536	63,688	226,138	130,809	26,005	2,930,630
Excess (deficiency) of revenues over (under) expenditures	<u>(337,263)</u>	<u>7,367</u>	<u>(20,471)</u>	<u>46,755</u>	<u>(138,201)</u>	<u>(759,658)</u>	<u>-</u>	<u>(48,610)</u>	<u>20,966</u>	<u>95,932</u>	<u>(1,133,183)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	354,044	-	-	5,664	138,230	759,658	-	48,610	-	-	1,306,206
Transfers (out)	-	-	-	(36,690)	-	-	-	-	-	(16,000)	(52,690)
Total other financing sources (uses)	354,044	-	-	(31,026)	138,230	759,658	-	48,610	-	(16,000)	1,253,516
Net change in fund balances	16,781	7,367	(20,471)	15,729	29	-	-	-	20,966	79,932	120,333
Fund balances - beginning	82,892	83,476	33,273	190,608	655	-	-	-	239,043	597,644	1,227,591
Fund balances - ending	\$ 99,673	\$ 90,843	\$ 12,802	\$ 206,337	\$ 684	\$ -	\$ -	\$ -	\$ 260,009	\$ 677,576	\$ 1,347,924

Oconee County, Georgia
Nonmajor Governmental Funds - Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2015

	SPLOST 2004 Fund	Local Resources Capital Projects Fund	Industrial Development Authority Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES				
Investment income	\$ 5,599	\$ -	\$ -	\$ 5,599
Total revenues	<u>5,599</u>	<u>-</u>	<u>-</u>	<u>5,599</u>
EXPENDITURES				
Debt service:				
Principal payments	-	-	410,000	410,000
Interest and fiscal charges	-	-	292,113	292,113
Capital outlay				
General government	-	24,888	-	24,888
Public safety	-	192,308	-	192,308
Public works	-	136,625	-	136,625
Culture and recreation	-	21,862	-	21,862
Housing and development	-	-	115,736	115,736
Total expenditures	<u>-</u>	<u>375,683</u>	<u>817,849</u>	<u>1,193,532</u>
Deficiency of revenues under expenditures	<u>5,599</u>	<u>(375,683)</u>	<u>(817,849)</u>	<u>(1,187,933)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	375,683	-	375,683
Total other financing sources (uses)	<u>-</u>	<u>375,683</u>	<u>-</u>	<u>375,683</u>
Net change in fund balances	5,599	-	(817,849)	(812,250)
Fund balances - beginning	<u>3,735,689</u>	<u>-</u>	<u>1,078,780</u>	<u>4,814,469</u>
Fund balances - ending	<u><u>\$ 3,741,288</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 260,931</u></u>	<u><u>\$ 4,002,219</u></u>

Nonmajor Proprietary Funds

Enterprise Funds

Solid Waste Fund - The Solid Waste Fund accounts for the operation and maintenance of the County's landfill disposal sites and recycling.

Special Facilities Fund - The Special Facilities Fund accounts for the operation, maintenance and development of the County's Civic Center, William Daniell House and the Eagle Tavern Museum, as well as economic development and tourism.

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Net Position
June 30, 2015

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
ASSETS			
Current assets:			
Cash	\$ 109	\$ 11,630	\$ 11,739
Accounts receivable, net	1,161	7,143	8,304
Internal balances	177,606	434,355	611,961
Prepaid items	1,493	3,483	4,976
Total current assets	<u>180,369</u>	<u>456,611</u>	<u>636,980</u>
Noncurrent assets:			
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	50,506	1,612,346	1,662,852
Total capital assets	<u>175,506</u>	<u>1,637,346</u>	<u>1,812,852</u>
Total assets	<u>355,875</u>	<u>2,093,957</u>	<u>2,449,832</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	378	2,809	3,187
Total assets and deferred inflows	<u>356,253</u>	<u>2,096,766</u>	<u>2,453,019</u>
LIABILITIES			
Current liabilities:			
Accounts payable	73,784	9,672	83,456
Salaries and benefits payable	3,882	10,134	14,016
Total current liabilities	<u>77,666</u>	<u>19,806</u>	<u>97,472</u>
Noncurrent liabilities:			
Compensated absences	5,834	20,563	26,397
Net pension liability	78,951	231,998	310,949
Total noncurrent liabilities	<u>84,785</u>	<u>252,561</u>	<u>337,346</u>
Total liabilities	<u>162,451</u>	<u>272,367</u>	<u>434,818</u>
NET POSITION			
Net investment in capital assets	175,506	1,637,346	1,812,852
Unrestricted	18,296	187,053	205,349
Total net position	<u>\$ 193,802</u>	<u>\$ 1,824,399</u>	<u>\$ 2,018,201</u>

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 174,057	\$ 76,122	\$ 250,179
Licenses and permits	8,000	-	8,000
Rents and royalties	-	111,576	111,576
Miscellaneous	-	200	200
Total operating revenues	<u>182,057</u>	<u>187,898</u>	<u>369,955</u>
OPERATING EXPENSES			
Salaries and benefits	161,261	244,518	405,779
Other contracted services	259,347	4,350	263,697
Supplies and materials	15,182	19,286	34,468
Repairs and maintenance	2,672	54,200	56,872
Utilities	9,894	56,378	66,272
Insurance	4,461	3,346	7,807
Depreciation and amortization	5,664	71,246	76,910
Other charges	11,021	16,640	27,661
Total operating expenses	<u>469,502</u>	<u>469,964</u>	<u>939,466</u>
Operating loss	<u>(287,445)</u>	<u>(282,066)</u>	<u>(569,511)</u>
Loss before contributions and transfers	(287,445)	(282,066)	(569,511)
Transfers in	<u>372,202</u>	<u>531,595</u>	<u>903,797</u>
Change in net position	84,757	249,529	334,286
Total net position - beginning, as originally reported	193,802	1,824,399	2,018,201
Change in accounting principle	<u>(84,757)</u>	<u>(249,529)</u>	<u>(334,286)</u>
Total net position - beginning, as restated	109,045	1,574,870	1,683,915
Total net position - ending	<u>\$ 193,802</u>	<u>\$ 1,824,399</u>	<u>\$ 2,018,201</u>

Oconee County, Georgia
Nonmajor Proprietary Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Solid Waste Fund	Special Facilities Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 183,331	\$ 194,852	\$ 378,183
Payments to suppliers	(247,399)	(154,928)	(402,327)
Payments to employees	(164,723)	(264,134)	(428,857)
Net cash (used) by operating activities	<u>(228,791)</u>	<u>(224,210)</u>	<u>(453,001)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	226,609	229,187	455,796
Net cash provided by noncapital financing activities	<u>226,609</u>	<u>229,187</u>	<u>455,796</u>
Net change in cash and cash equivalents	(2,182)	4,977	2,795
Cash - beginning of the year	2,291	6,653	8,944
Cash - end of the year	<u>\$ 109</u>	<u>\$ 11,630</u>	<u>\$ 11,739</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (287,445)	\$ (282,066)	\$ (569,511)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	5,664	71,246	76,910
Change in assets and liabilities:			
Receivables, net	1,274	2,918	4,192
Prepaid items	(63)	(147)	(210)
Due from other governments	-	4,036	4,036
Accounts payable	55,241	(581)	54,660
Accrued expenses	584	3,862	4,446
Compensated absences	(2,575)	(12,536)	(15,111)
Net pension liability	(1,471)	(10,942)	(12,413)
Net cash (used) by operating activities	<u>\$ (228,791)</u>	<u>\$ (224,210)</u>	<u>\$ (453,001)</u>

Fiduciary Funds

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
June 30, 2015

	<u>Tax Commissioner</u>	<u>Sheriff</u>	<u>Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Juvenile Court</u>	<u>Total Fiduciary Funds</u>
ASSETS							
Cash	\$ -	\$ 3,301	\$ 303,807	\$ 51,132	\$ 64,282	\$ 304	\$ 422,826
Total Assets	<u>\$ -</u>	<u>\$ 3,301</u>	<u>\$ 303,807</u>	<u>\$ 51,132</u>	<u>\$ 64,282</u>	<u>\$ 304</u>	<u>\$ 422,826</u>
LIABILITIES							
Due to others	\$ -	\$ 3,301	\$ 303,807	\$ 51,132	\$ 64,282	\$ 304	\$ 422,826
Total Liabilities	<u>\$ -</u>	<u>\$ 3,301</u>	<u>\$ 303,807</u>	<u>\$ 51,132</u>	<u>\$ 64,282</u>	<u>\$ 304</u>	<u>\$ 422,826</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
TAX COMMISSIONER				
Assets				
Cash	\$ 35,921	\$ 43,974,693	\$ 44,010,614	\$ -
	<u>35,921</u>	<u>43,974,693</u>	<u>44,010,614</u>	<u>-</u>
Liabilities				
Due to others	35,921	43,974,693	44,010,614	-
	<u>35,921</u>	<u>43,974,693</u>	<u>44,010,614</u>	<u>-</u>
SHERIFF				
Assets				
Cash	9,591	48,844	55,134	3,301
	<u>9,591</u>	<u>48,844</u>	<u>55,134</u>	<u>3,301</u>
Liabilities				
Due to others	9,591	48,844	55,134	3,301
	<u>9,591</u>	<u>48,844</u>	<u>55,134</u>	<u>3,301</u>
SUPERIOR COURT				
Assets				
Cash	491,268	1,682,018	1,869,479	303,807
	<u>491,268</u>	<u>1,682,018</u>	<u>1,869,479</u>	<u>303,807</u>
Liabilities				
Due to others	491,268	1,682,018	1,869,479	303,807
	<u>\$ 491,268</u>	<u>\$ 1,682,018</u>	<u>\$ 1,869,479</u>	<u>\$ 303,807</u>

Oconee County, Georgia
Fiduciary Funds
Combining Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2015

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
PROBATE COURT				
Assets				
Cash	\$ 55,588	\$ 588,255	\$ 592,711	\$ 51,132
	<u>55,588</u>	<u>588,255</u>	<u>592,711</u>	<u>51,132</u>
Liabilities				
Due to others	55,588	588,255	592,711	51,132
	<u>55,588</u>	<u>588,255</u>	<u>592,711</u>	<u>51,132</u>
MAGISTRATE COURT				
Assets				
Cash	61,523	244,888	242,129	64,282
	<u>61,523</u>	<u>244,888</u>	<u>242,129</u>	<u>64,282</u>
Liabilities				
Due to others	61,523	244,888	242,129	64,282
	<u>61,523</u>	<u>244,888</u>	<u>242,129</u>	<u>64,282</u>
JUVENILE COURT				
Assets				
Cash	304	16,357	16,357	304
	<u>304</u>	<u>16,357</u>	<u>16,357</u>	<u>304</u>
Liabilities				
Due to others	304	16,357	16,357	304
	<u>304</u>	<u>16,357</u>	<u>16,357</u>	<u>304</u>
TOTALS				
Assets				
Cash	654,195	46,555,055	46,786,424	422,826
	<u>654,195</u>	<u>46,555,055</u>	<u>46,786,424</u>	<u>422,826</u>
Liabilities				
Due to others	654,195	46,555,055	46,786,424	422,826
	<u>\$ 654,195</u>	<u>\$ 46,555,055</u>	<u>\$ 46,786,424</u>	<u>\$ 422,826</u>

Compliance

Treadwell, Jamplin & Co.

Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

Ph: 706-342-1040
Fax: 706-342-1041

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*

To the Honorable Commissioners of
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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, Georgia as of and for the year ended June 30, 2015, 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 31, 2015. Our report includes a reference to other auditors who audited the financial statements of the Oconee County Health Department, as described in our report on Oconee County, Georgia'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.

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) to determine 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oconee County, Georgia's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oconee County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Oconee County, Georgia in a separate letter dated December 31, 2015.

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 the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Treadwell, Sampson & Co.".

Madison, Georgia
December 31, 2015

Oconee County, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2015

	Original Estimated Cost	Revised Estimated Cost	Prior Years	Expenditures Current Year	Total	Estimated Percentages of Completion
2004 Referendum***						
Water & Sewer improvements	\$ 6,000,000	\$ 6,970,000	\$ 6,970,000	\$ -	\$ 6,970,000	100.00%
Recreation & cultural facilities	5,000,000	5,031,350	5,031,350	-	5,031,350	100.00%
Roads	6,000,000	6,276,264	6,276,264	-	6,276,264	100.00%
Jail expansion	1,300,000	1,319,670	1,319,670	-	1,319,670	100.00%
Emergency operations center	600,000	681,721	681,721	-	681,721	100.00%
Fire station project	1,500,000	1,500,000	1,500,000	-	1,500,000	100.00%
County facilities expansion and renovation	4,600,000	4,600,000	1,010,854	-	1,010,854	21.98%
Totals	\$ 25,000,000	\$ 26,379,005	\$ 22,789,859	\$ -	\$ 22,789,859	
2009 Referendum***						
Recreation facilities	\$ 4,847,985	\$ 4,847,985	\$ 3,232,472	\$ 431,200	\$ 3,663,672	75.57%
County Jail and Emergency Operation Center-911 Building	6,059,981	6,059,981	5,136,628	720,894	5,857,522	96.66%
Water & Sewer facilities	6,884,176	6,884,176	130,314	921,811	1,052,125	15.28%
Roads, Streets & Bridges	8,080,020	8,080,020	6,255,600	500,104	6,755,704	83.61%
Recreational, Historic and Scenic Facilities	1,110,999	1,110,999	241,108	233,653	474,761	42.73%
Fire Station Facilities and Equipment	3,939,014	3,939,014	1,910,608	1,875	1,912,483	48.55%
Communication Facilities	3,232,001	3,508,604	3,400,418	54,519	3,454,937	98.47%
Farmland Protection	504,984	504,984	198,500	-	198,500	39.31%
Payment to Cities						
City of Watkinsville	3,227,960	3,227,960	2,051,744	515,667	2,567,411	79.54%
Town of Bogart	1,616,000	1,616,000	1,027,156	258,156	1,285,312	79.54%
Town of North High Shoals	674,680	674,680	428,838	107,780	536,618	79.54%
Town of Bishop	222,200	222,200	141,234	35,496	176,730	79.54%
Totals	\$ 40,400,000	\$ 40,676,603	\$ 24,154,620	3,781,155	\$ 27,935,775	
Expenditures paid from funds that were transferred into the SPLOST 2009 Fund				760,599		
Principal payment on Communication Facility purchased using capital lease				1,493,662		
Total expenditures and transfers reported in the SPLOST 2009 fund				<u>\$ 6,035,416</u>		

***The Original Estimated Cost of each project may change as actual costs are incurred.

Oconee County, Georgia
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2015

<u>State Program Name</u>	<u>Contract Number</u>	<u>Actual Revenue Received</u>	<u>Current Expenditures</u>	<u>Amount Due To/From State</u>
Family Connection	93-1515000-96	\$ 33,750	\$ 45,000	\$ 11,250

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

For the Year Ended June 30, 2015

Line No.	Description	O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund </div>		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	UMB Wholesale Bank (Sprint/Nextel)		\$ 823.50
	AT&T Mobility		\$ 49,490.70
			\$
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	\$
3b	Purchase costs	46-5-134(f)(1)(A)	\$
3c	Maintenance costs	46-5-134(f)(1)(A)	\$
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ 179,135.31
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	\$ 573,857.23
5b	Employee benefits	46-5-134(f)(1)(C)	\$ 277,805.57
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ 3,681.04
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	\$ 5,414.46
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$
8b	Purchase costs	46-5-134(f)(1)(F)	\$
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	\$
9b	Purchase costs	46-5-134(f)(1)(G)	\$
9c	Maintenance costs	46-5-134(f)(1)(G)	\$
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$

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

For the Year Ended June 30, 2015

Line No.		O.C.G.A. Reference	
11b	Purchase costs	46-5-134(f)(1)(I)	\$ _____
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ _____
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ 93,158.63
15	Mobile public safety voice and data equipment, geo-targeted text messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ 2,400.00
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ _____
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ 275,768.75
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		\$ 1,461,535.19

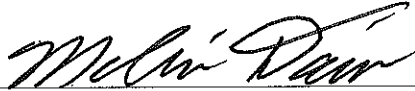
Oconee County Board of Commissioners
Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2015

Certification of Local Government Officials

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

Signature of Chief Elected Official



Date

12/23/15

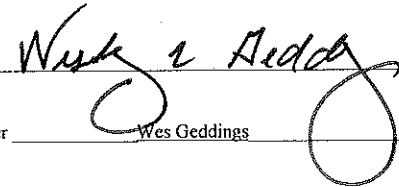
Print Name of Chief Elected Official

Melvyn Davis

Title of Chief Elected Official

Chairman, Oconee County Board of Commissioners

Signature of Chief Financial Officer



Date

23 Dec 2015

Print Name of Chief Financial Officer

Wes Geddings