

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended**  
**June 30, 2014**

**Oconee County, Georgia**  
**Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**  
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## **Financial Section**

# Treadwell, Tamplin & Co.

Certified Public Accountants  
A Limited Liability Partnership

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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, 2014, 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, 2014, 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.

## **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 Funding Progress, 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 X, and pages 41-44 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*

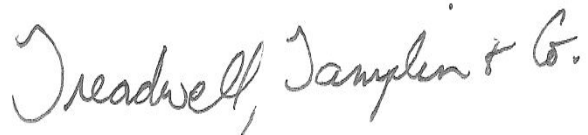
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, Georgia's financial statements as a whole. The combining and individual fund schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedule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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2014 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 "Dreadwell, Sampson & Co." The signature is written in dark ink and is positioned centrally on the page.

*Madison, Georgia*  
December 31, 2014



**MANAGEMENT DISCUSSION AND ANALYSIS**

**OCONEE COUNTY, GEORGIA  
YEAR ENDED JUNE 30, 2014**

**OCONEE COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2014**

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 plus deferred outflows less its liabilities plus deferred inflows at June 30, 2014. The difference between these assets and liabilities is reported as net position. Assets, deferred outflows, liabilities, deferred inflows and net position are reported for all governmental activities separate from the 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 position 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, 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)

Fiduciary Funds are 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. The county reports six fiduciary funds – Tax Commissioner, Sheriff, Superior Court, Probate Court, Magistrate Court and Juvenile Court.

## **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**

The increase for governmental activity net position amounted to \$2,150,796. (Exb 2) This increase is a combination of factors, including the addition of capital assets, Oconee County continues to practice conservative fiscal policies during challenging financial times.

### **Business-Type Activities**

Increases in net position for business-type activities amounted to a total of \$5,630,470 (Exb 2) as a result of operating revenues, capital contributions and transfers in from SPLOST. SPLOST Capital Projects Fund transferred \$510,967 (Exb 6) to the Water and Sewer Fund for the purposes of capital expenses. 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) during FY12. 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). 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 total borrowed to date was \$10,194,076 of which the County is responsible for paying \$2,935,894. (Note 7)

## 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, Capital Projects Local Resources Fund, and Industrial Development Authority Projects Fund.

As of June 30, 2014, Oconee County governmental funds reported combined fund balances of \$18,248,068, (Exb 4) an increase of \$396,346 (Exb 4) resulting in a small change over prior year. The County continues to utilize SPLOST funds to retire debt and fund 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, 2014, total fund balance in the general fund was \$9,156,802. (Exb 4) There was an increase of \$261,372 (Exb 4) in the general fund balance. The Board of Commissioners took conservative measures and worked closely with Elected Officials and Department Directors keeping 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 FY14, the Authority used \$202,137 (Sch 8) in operating funds and \$379,007 (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. The operation of a hotel and the collection of an excise tax was initiated in 2010. The annual revenue for the period ending June 30, 2014 totaled \$131,232. (Note 15)

### **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, 2014, total net position amounted to \$65,348,340 (Exb 6), a net increase of \$5,630,470. (Exb 6) Net position changes are a result of capital contributions, operations, non-operating revenues, depreciation, expenses, 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 was calculated by multiplying the fair market value by 6.75% in 2014.

## 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. As of June 2014, the company employed 675 employees. 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 increased slightly. 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, 2014, by \$153,157,733. (Exb 1) Of this amount, \$9,597,340 (Exb 1) 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, 2014, Oconee County's Governmental Fund Statement Report combined ending fund balances of \$18,248,068 (Exb 3) an increase of \$396,346. (Exb 4) Of this amount, \$7,949,648 (Exb 3) is restricted for Capital projects which commit the following funds: SPLOST 2004 - \$3,735,689 (Sch 6) SPLOST 2009 - \$3,049,206 (Exb 3) , Hotel Sales Tax - \$85,973 (Sch 5), Industrial Development Authority Projects - \$1,078,780 (Sch 6). General Fund has committed \$3,352,622 (Exb 3) to advance fund GDOT project SR53/Mars Hill Road. Reimbursement from the State of Georgia will encompass (3) drawdowns. The first drawdown was completed in FY12 and the second was completed in FY13. The third payment is expected to be finalized in FY15. Total reimbursement to date: \$5,017,185.

The General Fund reported an adequate unassigned fund balance of \$4,828,279. (Exb 3) During Fiscal Year 2014, 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. 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 position that is applicable to future reporting periods and renames net assets to net position. The County further implemented GASB 65 in Fiscal year 2013.

### **Government – Wide Financial Analysis**

Table 1 & Table 2 depict comparative data for Oconee County, Georgia for the fiscal year ended June 30, 2013 and the fiscal year ended June 30, 2014. The comparative data highlights Government-wide net position (Table 1) and changes in net position (Table 2). Fiscal year ended 2014 shows an increase net position of \$7.78 million (Exb 2) over the previous fiscal year.

### **Budget Variations**

The original General Fund budget for the fiscal year end June 30, 2014, reflected anticipated revenues of \$20,750,015 and expenditures of \$19,383,138. The final budget for the fiscal year showed revenues of \$25,363,005 and expenditures of \$23,905,448, while the actual results for fiscal year ending June 30, 2014, indicated revenues of \$25,434,906 and expenditures of \$23,386,112. (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 Epps Bridge Centre in Oconee County continues to grow with the additions of Best Buy and several restaurants which 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 6.75% in 2014.

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 7. 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 145  
Watkinsville, Georgia 30677

**Oconee County, Georgia**  
**For the Year Ended June 30, 2014**

**Table 1**  
**Net Position**  
**(in Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
<b>Assets</b>						
Current & Other Assets	20.75	21.34	22.67	24.42	43.42	45.76
Capital Assets, Net	91.23	91.55	78.83	83.87	170.06	175.42
<b>Total Assets</b>	<b>111.98</b>	<b>112.89</b>	<b>101.50</b>	<b>108.29</b>	<b>213.48</b>	<b>221.18</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Debt Refunding	0.78	0.74	0.47	0.39	1.25	1.13
<b>Total Assets and Deferred Outflows</b>	<b>112.76</b>	<b>113.63</b>	<b>101.97</b>	<b>108.68</b>	<b>214.73</b>	<b>222.31</b>
<b>Liabilities</b>						
Current & Other Liabilities	1.96	2.46	1.30	2.20	3.26	4.66
Long-Term Liabilities						
Due Within One Year	1.78	1.61	1.14	1.68	2.92	3.29
Due in More Than One Year	23.35	21.74	39.82	39.45	63.17	61.19
<b>Total Liabilities</b>	<b>27.09</b>	<b>25.81</b>	<b>42.26</b>	<b>43.33</b>	<b>69.35</b>	<b>69.14</b>
<b>Net Position</b>						
Net Investment in Capital Assets	77.13	79.93	49.26	52.38	126.39	132.31
Restricted						
Capital Projects	8.13	7.95	0.00	0.00	8.13	7.95
Judicial	0.09	0.09	0.00	0.00	0.09	0.09
Public Safety	0.14	0.16	0.00	0.00	0.14	0.16
Debt Service	0.00	0.00	2.19	2.84	2.19	2.84
Other Purposes	0.20	0.21	0.00	0.00	0.20	0.21
Unrestricted	(0.03)	(0.53)	8.26	10.13	8.23	9.60
<b>Total Net Position</b>	<b>85.66</b>	<b>87.81</b>	<b>59.71</b>	<b>65.35</b>	<b>145.37</b>	<b>153.16</b>

**Oconee County, Georgia**  
**For the Year Ended June 30, 2014**

**Table 2**  
**Changes in Net Position**  
**(in Millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2013	2014	2013	2014	2013	2014
<b>Revenue</b>						
<b>Program Revenues:</b>						
Charges for Services	4.56	4.65	8.15	9.43	12.71	14.08
Operating Grants & Contributions	0.61	0.66	0.01	0.01	0.62	0.67
Capital Grants & Contributions	17.83	3.76	0.35	2.22	18.18	5.98
<b>General Revenues:</b>						
Property Taxes	10.07	10.95			10.07	10.95
Sales Taxes	10.93	11.69			10.93	11.69
Intangible Taxes	0.51	0.42			0.51	0.42
Business Taxes	1.36	1.41			1.36	1.41
Franchise Fees	0.25	0.27			0.25	0.27
Other Taxes	0.18	0.17			0.18	0.17
Investment Earnings	0.02	0.02	0.04	0.02	0.06	0.04
Gain on Disposal of Capital Asset	0.09	0.19	0.00	0.00	0.09	0.19
<b>Total Revenues</b>	<b>46.42</b>	<b>34.19</b>	<b>8.55</b>	<b>11.68</b>	<b>54.97</b>	<b>45.87</b>
<b>Program Expenses</b>						
General Government	5.75	5.84			5.75	5.84
Judicial	2.02	2.04			2.02	2.04
Public Safety	8.39	9.37			8.39	9.37
Public Works	7.15	7.31			7.15	7.31
Health & Welfare	0.71	0.70			0.71	0.70
Culture & Recreation	3.42	3.57			3.42	3.57
Housing & Development	18.50	1.29			18.50	1.29
Interest & Fiscal Charges	0.89	0.77			0.89	0.77
Water & Sewer			6.04	6.15	6.04	6.15
Solid Waste			0.38	0.38	0.38	0.38
Special Facilities			0.68	0.66	0.68	0.66
<b>Total Expenses</b>	<b>46.83</b>	<b>30.90</b>	<b>7.10</b>	<b>7.19</b>	<b>53.93</b>	<b>38.09</b>
<b>Excess (Deficiency) Before Transfers &amp; Contributions</b>	<b>(0.41)</b>	<b>3.29</b>	<b>1.45</b>	<b>4.49</b>	<b>1.04</b>	<b>7.78</b>
<b>Total Transfers</b>	<b>(1.45)</b>	<b>(1.14)</b>	<b>1.45</b>	<b>1.14</b>	<b>0.00</b>	<b>0.00</b>
<b>Changes in Net Position</b>	<b>(1.86)</b>	<b>2.15</b>	<b>2.90</b>	<b>5.63</b>	<b>1.04</b>	<b>7.78</b>
<b>Net Position, Beginning</b>	<b>81.31</b>	<b>85.66</b>	<b>57.53</b>	<b>59.71</b>	<b>138.84</b>	<b>145.37</b>
<b>Prior Period Adj-Implementation GASB 65</b>	<b>(0.44)</b>	<b>0.00</b>	<b>(0.72)</b>	<b>0.00</b>	<b>(1.16)</b>	<b>0.00</b>
<b>Prior Period Adj-Implementation GASB 61</b>	<b>6.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.65</b>	<b>0.00</b>
<b>Net Position, Beginning, as Restated</b>	<b>87.52</b>	<b>85.66</b>	<b>56.81</b>	<b>59.71</b>	<b>144.33</b>	<b>145.37</b>
<b>Net Position, Ending</b>	<b>85.66</b>	<b>87.81</b>	<b>59.71</b>	<b>65.35</b>	<b>145.37</b>	<b>153.16</b>

# **Basic Financial Statements**

**Oconee County, Georgia**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Health Department</b>
<b>ASSETS</b>				
Cash (Note 2)	\$ 5,461,716	\$ 4,879,727	\$ 10,341,443	\$ 480,121
Investments, plus accrued interest (Note 2)	13,105,848	2,251,761	15,357,609	-
Accounts receivable, net	289,173	993,858	1,283,031	32,259
Taxes receivable, net	232,665	-	232,665	-
Internal balances (Note 4)	(56,572)	56,572	-	-
Due from other governments	1,442,204	11,471	1,453,675	-
Prepaid expenses	205,343	13,630	218,973	-
Restricted cash (Note 2)	219,493	1,114,705	1,334,198	-
Restricted investments (Note 2)	-	4,213,590	4,213,590	-
Net pension benefit (Note 9)	361,515	44,216	405,731	-
OPEB benefit (Note 10)	85,952	-	85,952	-
Investment - UOBWA, net (Note 5)	-	10,837,506	10,837,506	-
Capital assets (Note 3)				
Capital assets not being depreciated	20,402,099	28,938,929	49,341,028	-
Capital assets, net of accumulated depreciation	71,146,434	54,927,334	126,073,768	11,271
<b>Total assets</b>	<b>112,895,870</b>	<b>108,283,299</b>	<b>221,179,169</b>	<b>523,651</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on debt refunding	738,731	393,510	1,132,241	-
<b>Total assets and deferred outflows</b>	<b>113,634,601</b>	<b>108,676,809</b>	<b>222,311,410</b>	<b>523,651</b>
<b>LIABILITIES</b>				
Accounts payable	1,776,448	158,423	1,934,871	19,411
Accounts payable from restricted assets	13,340	521,832	535,172	-
Retainage payable	118,586	319,018	437,604	-
Salaries and benefits payable	224,048	28,368	252,416	-
Customer deposits	-	622,943	622,943	-
Accrued interest	328,860	555,030	883,890	-
Long-term liabilities: (Note 7)				
Portion due or payable within one year:				
Bonds, notes, leases, and contracts payable	1,615,945	1,678,334	3,294,279	-
Compensated absences	-	-	-	7,154
Portion due or payable after one year:				
Bonds, notes, leases, and contracts payable, net	21,110,302	39,326,801	60,437,103	-
Compensated absences	637,679	117,720	755,399	27,186
<b>Total liabilities</b>	<b>25,825,208</b>	<b>43,328,469</b>	<b>69,153,677</b>	<b>53,751</b>
<b>NET POSITION</b>				
Net investment in capital assets	79,930,398	52,379,938	132,310,336	11,271
Restricted for:				
Capital projects	7,949,648	-	7,949,648	-
Judicial	92,736	-	92,736	-
Public safety	162,482	-	162,482	-
Debt service	-	2,839,327	2,839,327	-
Other purposes	205,864	-	205,864	-
Unrestricted	(531,735)	10,129,075	9,597,340	458,629
<b>Total net position</b>	<b>\$ 87,809,393</b>	<b>\$ 65,348,340</b>	<b>\$ 153,157,733</b>	<b>\$ 469,900</b>

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

**Oconee County, Georgia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2014**

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Health Department</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>Governmental:</b>								
General government	\$ 5,842,841	\$ 879,474	\$ -	\$ -	\$ (4,963,367)		\$ (4,963,367)	
Judicial	2,042,828	730,570	297,752	-	(1,014,506)		(1,014,506)	
Public safety	9,373,562	957,743	104,046	13,827	(8,297,946)		(8,297,946)	
Public works	7,313,274	22,146	145	3,747,423	(3,543,560)		(3,543,560)	
Health and welfare	696,381	-	212,160	-	(484,221)		(484,221)	
Culture and recreation	3,565,481	1,126,627	45,209	-	(2,393,645)		(2,393,645)	
Housing and development	1,289,329	933,162	-	-	(356,167)		(356,167)	
Interest and fiscal charges	774,656	-	-	-	(774,656)		(774,656)	
<b>Total governmental activities</b>	<b>30,898,352</b>	<b>4,649,722</b>	<b>659,312</b>	<b>3,761,250</b>	<b>(21,828,068)</b>		<b>(21,828,068)</b>	
<b>Business-type:</b>								
Water and sewer	6,153,294	9,032,461	-	2,216,006		\$ 5,095,173	5,095,173	
Solid waste	376,659	201,281	-	-		(175,378)	(175,378)	
Special facilities	661,248	195,143	10,000	-		(456,105)	(456,105)	
<b>Total business-type activities</b>	<b>7,191,201</b>	<b>9,428,885</b>	<b>10,000</b>	<b>2,216,006</b>		<b>4,463,690</b>	<b>4,463,690</b>	
<b>Component units:</b>								
Oconee County Health Department	741,103	380,502	357,852	-				\$ (2,749)
<b>Total Oconee County</b>	<b>\$ 38,830,656</b>	<b>\$ 14,459,109</b>	<b>\$ 1,027,164</b>	<b>\$ 5,977,256</b>	<b>(21,828,068)</b>	<b>4,463,690</b>	<b>(17,364,378)</b>	
General revenues:								
Taxes								
Property taxes, levied for general purposes					10,950,548	-	10,950,548	-
Sales tax					11,689,332	-	11,689,332	-
Intangible tax					422,899	-	422,899	-
Business taxes					1,410,339	-	1,410,339	-
Franchise taxes					270,330	-	270,330	-
Other taxes					174,417	-	174,417	-
Investment earnings					15,223	24,336	39,559	1,945
Gain on disposal of capital assets					188,220	-	188,220	-
Transfers					(1,142,444)	1,142,444	-	-
Total general revenues and transfers					23,978,864	1,166,780	25,145,644	1,945
					<b>Change in net position</b>			
					2,150,796	5,630,470	7,781,266	(804)
<b>Net position - beginning</b>					85,658,597	59,717,870	145,376,467	470,704
<b>Net position - ending</b>					<b>\$ 87,809,393</b>	<b>\$ 65,348,340</b>	<b>\$ 153,157,733</b>	<b>\$ 469,900</b>

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

**Oconee County, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<u>General Fund</u>	<u>SPLOST 2009 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash (Note 2)	\$ 364,749	\$ 3,083,217	\$ 2,219,903	\$ 5,667,869
Investments (Note 2)	9,442,978	-	3,662,870	13,105,848
Accounts receivable, net	145,101	-	161,711	306,812
Taxes receivable, net	211,426	-	3,600	215,026
Internal balances (Note 4)	279,796	-	287,235	567,031
Due from other governments	834,793	505,420	101,991	1,442,204
Prepaid items	198,677	-	6,666	205,343
Restricted cash (Note 2)	13,340	-	-	13,340
<b>Total assets</b>	<u>\$ 11,490,860</u>	<u>\$ 3,588,637</u>	<u>\$ 6,443,976</u>	<u>\$ 21,523,473</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,173,325	\$ 419,669	\$ 178,315	\$ 1,771,309
Retainage payable	-	118,586	-	118,586
Internal balances (Note 4)	421,273	1,176	201,154	623,603
Salaries and benefits payable	210,280	-	18,907	229,187
Bonds and deposits payable from restricted cash	13,340	-	-	13,340
<b>Total liabilities</b>	<u>1,818,218</u>	<u>539,431</u>	<u>398,376</u>	<u>2,756,025</u>
Deferred inflows of resources:				
Unavailable property taxes	203,680	-	3,540	207,220
Unavailable grant reimbursements	312,160	-	-	312,160
<b>Total deferred inflows</b>	<u>515,840</u>	<u>-</u>	<u>3,540</u>	<u>519,380</u>
Fund balances:				
Nonspendable	198,677	-	6,666	205,343
Restricted				
Capital projects	-	3,049,206	4,900,442	7,949,648
Judicial	-	-	92,736	92,736
Public safety	-	-	162,482	162,482
Culture and recreation	-	-	52,794	52,794
Housing and development	-	-	153,070	153,070
Committed				
Public works	3,352,622	-	-	3,352,622
Assigned				
Subsequent years' budget	777,224	-	-	777,224
Health and welfare	-	-	82,025	82,025
Housing and development	-	-	597,644	597,644
Unassigned	4,828,279	-	(5,799)	4,822,480
<b>Total fund balances</b>	<u>9,156,802</u>	<u>3,049,206</u>	<u>6,042,060</u>	<u>18,248,068</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 11,490,860</u>	<u>\$ 3,588,637</u>	<u>\$ 6,443,976</u>	<u>\$ 21,523,473</u>

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, 2014**

Total <i>fund</i> balances for governmental funds (Exhibit 3)	\$	18,248,068
Total <i>net position</i> 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	20,402,099	
Capital assets, net of depreciation	71,146,434	
Total capital assets		91,548,533
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.		207,220
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.		312,160
The net pension benefit is not recorded on the fund level balance sheet as it does represent a current financial resource.		361,515
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.		85,952
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.		738,731
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	\$ (328,860)	
Bonds, notes, and capital leases payable	(22,726,247)	
Compensated absences - long-term	(637,679)	
Total long-term liabilities		(23,692,786)
Total net position of governmental activities (Exhibit 1)	\$	87,809,393



**Oconee County, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<b>General Fund</b>	<b>SPLOST 2009 Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 18,610,224	\$ 5,953,996	\$ 131,232	\$ 24,695,452
Licenses and permits	797,567	-	-	797,567
Intergovernmental revenue	3,127,964	-	526,750	3,654,714
Charges for services	2,450,784	-	1,069,526	3,520,310
Fines and forfeitures	351,954	-	71,174	423,128
Investment income	13,278	5,374	6,541	25,193
Contributions and donations	-	-	79,133	79,133
Miscellaneous	83,135	-	18,057	101,192
<b>Total revenues</b>	<u>25,434,906</u>	<u>5,959,370</u>	<u>1,902,413</u>	<u>33,296,689</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,788,803	-	4,558	4,793,361
Judicial	1,599,955	-	438,937	2,038,892
Public safety	6,989,536	-	1,517,073	8,506,609
Public works	5,886,693	-	217,161	6,103,854
Health and welfare	236,056	-	432,172	668,228
Culture and recreation	2,888,058	-	32,550	2,920,608
Housing and development	997,011	-	259,881	1,256,892
Debt service:				
Principal payments	-	1,781,500	-	1,781,500
Interest and fiscal charges	-	504,404	292,112	796,516
Capital outlay:				
General government	-	-	38,051	38,051
Public safety	-	143,968	126,751	270,719
Public works	-	1,800,808	-	1,800,808
Culture and recreation	-	76,620	-	76,620
Housing and development	-	87,500	86,895	174,395
Intergovernmental	-	846,063	-	846,063
<b>Total expenditures</b>	<u>23,386,112</u>	<u>5,240,863</u>	<u>3,446,141</u>	<u>32,073,116</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>2,048,794</u>	<u>718,507</u>	<u>(1,543,728)</u>	<u>1,223,573</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	22,998	-	292,220	315,218
Transfers in	83,287	-	1,295,222	1,378,509
Transfers (out)	(1,893,707)	(115,514)	(511,733)	(2,520,954)
<b>Total other financing sources (uses)</b>	<u>(1,787,422)</u>	<u>(115,514)</u>	<u>1,075,709</u>	<u>(827,227)</u>
<b>Net change in fund balances</b>	261,372	602,993	(468,019)	396,346
<b>Fund balances - beginning</b>	8,895,430	2,446,213	6,510,079	17,851,722
<b>Fund balances - ending</b>	<u>\$ 9,156,802</u>	<u>\$ 3,049,206</u>	<u>\$ 6,042,060</u>	<u>\$ 18,248,068</u>

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, 2014**

Net change in *fund* balances - total governmental funds (Exhibit 4) \$ 396,346

The change in *net position* 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 (\$3,974,531) is exceeded by depreciation (\$4,804,819) in the current period. (830,288)

In the Statement of Activities, only the 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). (126,998)

Changes in the net pension benefit (obligation) are not reported in the funds because they do not represent the receipt or consumption of current financial assets. In the Statement of Activities, the change in the net pension benefit is reported as an increase or decrease in expense. 169,002

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. 56,494

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. 47,989

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. (614,299)

**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, 2014**

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. 1,272,989

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	1,781,500	
Accrued interest on debt	40,866	
Amortization of deferred amount on bond refunding	(38,881)	
Amortization of bond premiums and discounts	19,878	
		1,803,363

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. (23,802)

Change in net position of governmental activities (Exhibit 2) \$ 2,150,796

**Oconee County, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

<b>ASSETS</b>	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
Current assets:			
Cash (Note 2)	\$ 4,870,783	\$ 8,944	\$ 4,879,727
Investments, plus accrued interest (Note 2)	2,251,761	-	2,251,761
Accounts receivable, less allowance of \$101,383	981,362	12,496	993,858
Internal balances (Note 4)	1,176	163,960	165,136
Due from other governments	7,435	4,036	11,471
Prepaid items	8,864	4,766	13,630
Total current assets	<u>8,121,381</u>	<u>194,202</u>	<u>8,315,583</u>
Noncurrent assets:			
Restricted cash (Note 2)	1,114,705	-	1,114,705
Restricted investments (Note 2)	4,213,590	-	4,213,590
Investment - UOBWA, net (Note 5)	10,837,506	-	10,837,506
Net pension asset (Note 9)	30,105	14,111	44,216
Capital assets (Note 3)			
Capital assets not being depreciated	28,788,929	150,000	28,938,929
Capital assets, net of accumulated depreciation	53,187,574	1,739,760	54,927,334
Total capital assets	<u>81,976,503</u>	<u>1,889,760</u>	<u>83,866,263</u>
Total noncurrent assets	<u>98,172,409</u>	<u>1,903,871</u>	<u>100,076,280</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on debt refunding	393,510	-	393,510
<b>Total assets and deferred outflows</b>	<u>106,687,300</u>	<u>2,098,073</u>	<u>108,785,373</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	129,629	28,794	158,423
Accounts payable-construction from restricted investments	521,832	-	521,832
Retainage payable	319,018	-	319,018
Internal balances (Note 4)	108,564	-	108,564
Salaries and benefits payable	18,798	9,570	28,368
Customer deposits-payable from restricted cash	622,943	-	622,943
Accrued interest	555,030	-	555,030
Bonds, notes and contracts payable (Note 7)	1,678,334	-	1,678,334
Total current liabilities	<u>3,954,148</u>	<u>38,364</u>	<u>3,992,512</u>
Noncurrent liabilities:			
Bonds, notes and contracts payable, net (Note 7)	39,326,801	-	39,326,801
Compensated absences (Note 7)	76,212	41,508	117,720
Total noncurrent liabilities	<u>39,403,013</u>	<u>41,508</u>	<u>39,444,521</u>
<b>Total liabilities</b>	<u>43,357,161</u>	<u>79,872</u>	<u>43,437,033</u>
<b>NET POSITION</b>			
Net investment in capital assets	50,490,178	1,889,760	52,379,938
Restricted for debt service	2,839,327	-	2,839,327
Unrestricted	10,000,634	128,441	10,129,075
<b>Total net position</b>	<u>\$ 63,330,139</u>	<u>\$ 2,018,201</u>	<u>\$ 65,348,340</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, 2014**

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,902,292	\$ 266,116	\$ 7,168,408
Licenses and permits	-	7,000	7,000
Rents and royalties	-	119,723	119,723
Miscellaneous	245,272	13,590	258,862
<b>Total operating revenues</b>	<u>7,147,564</u>	<u>406,429</u>	<u>7,553,993</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,265,331	578,173	1,843,504
Other contracted services	77,168	173,168	250,336
Water purchase and treatment costs	1,293,365	-	1,293,365
Supplies and materials	70,926	43,105	114,031
Repairs and maintenance	443,596	27,608	471,204
Utilities	381,417	69,241	450,658
Insurance	9,860	8,217	18,077
Depreciation	1,514,280	83,671	1,597,951
Other charges	95,230	54,724	149,954
<b>Total operating expenses</b>	<u>5,151,173</u>	<u>1,037,907</u>	<u>6,189,080</u>
<b>Operating income (loss)</b>	<u>1,996,391</u>	<u>(631,478)</u>	<u>1,364,913</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	24,327	-	24,327
Water availability fees	1,036,765	-	1,036,765
Sewer capacity fees	619,485	-	619,485
Sewer connection fees	228,650	-	228,650
Amortization expense - UOBWA	(167,378)	-	(167,378)
Interest expense	(834,743)	-	(834,743)
<b>Total nonoperating revenue (expenses)</b>	<u>907,106</u>	<u>-</u>	<u>907,106</u>
<b>Income (loss) before contributions and transfers</b>	2,903,497	(631,478)	2,272,019
Capital contributions	2,216,006	-	2,216,006
Transfers in	510,967	631,478	1,142,445
<b>Change in net position</b>	5,630,470	-	5,630,470
<b>Total net position - beginning, as originally reported</b>	57,699,669	2,018,201	59,717,870
<b>Total net position - ending</b>	<u>\$ 63,330,139</u>	<u>\$ 2,018,201</u>	<u>\$ 65,348,340</u>

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, 2014**

	<b>Enterprise Funds</b>		<b>Total</b>
	<b>Water and Sewer Fund</b>	<b>Other Enterprise Funds</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 6,590,819	\$ 397,096	\$ 6,987,915
Payments to suppliers	(2,288,494)	(407,567)	(2,696,061)
Payments to employees	(1,270,078)	(583,301)	(1,853,379)
Receipts from others	245,266	1,368	246,634
Net cash provided (used) by operating activities	<u>3,277,513</u>	<u>(592,404)</u>	<u>2,685,109</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	631,478	631,478
Interfund loans - proceeds and collections	17,193	(19,527)	(2,334)
Net cash provided by noncapital financing activities	<u>17,193</u>	<u>611,951</u>	<u>629,144</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(4,917,404)	(12,036)	(4,929,440)
Transfers in used for construction of capital assets	510,965	-	510,965
Proceeds from issuance of debt	2,673,627	-	2,673,627
Principal payments on debt	(1,135,796)	-	(1,135,796)
Interest payments on debt	(894,947)	-	(894,947)
Sewer capacity and connection fees from customers	1,884,900	-	1,884,900
Net cash used for capital and related financing activities	<u>(1,878,655)</u>	<u>(12,036)</u>	<u>(1,890,691)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	24,327	-	24,327
Purchase of investments	(345,127)	-	(345,127)
Proceeds from sale of investments	480,673	-	480,673
Net cash provided by investing activities	<u>159,873</u>	<u>-</u>	<u>159,873</u>
Net change in cash	1,575,924	7,511	1,583,435
Cash - beginning	4,409,564	1,433	4,410,997
Cash - end	<u>\$ 5,985,488</u>	<u>\$ 8,944</u>	<u>\$ 5,994,432</u>
Displayed as:			
Cash	\$ 4,870,783	\$ 8,944	\$ 4,879,727
Restricted cash - noncurrent	1,114,705	-	1,114,705
	<u>\$ 5,985,488</u>	<u>\$ 8,944</u>	<u>\$ 5,994,432</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 1,996,391	\$ (631,478)	\$ 1,364,913
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,514,280	83,671	1,597,951
Change in assets and liabilities:			
Receivables, net	(417,634)	(9,333)	(426,967)
Prepaid items	(750)	(899)	(1,649)
Due from other governments	3,845	1,368	5,213
Net pension asset	(14,179)	(6,525)	(20,704)
Accounts payable	83,821	(30,605)	53,216
Accrued expenses	2,975	(4,074)	(1,099)
Customer deposits	102,307	-	102,307
Compensated absences	6,457	5,471	11,928
Net cash provided (used) by operating activities	<u>\$ 3,277,513</u>	<u>\$ (592,404)</u>	<u>\$ 2,685,109</u>
<b>Non-cash investing, capital and financing activities:</b>			
Discount on GEFA note	\$ 1,253,965	\$ -	\$ 1,253,965
Contribution of water system assets	962,041	-	962,041

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

**Oconee County, Georgia**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	<u>\$ 654,195</u>
<b>Total assets</b>	<u>654,195</u>
 <b>LIABILITIES</b>	
Due to others	<u>654,195</u>
<b>Total liabilities</b>	<u>654,195</u>
<b>NET POSITION</b>	<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, 2014**

**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 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, 2014**

**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, 2014**

**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 June 30, 2014: 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, 2014**

**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 June 30, 2014.

**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 \$101,383 for the year ended June 30, 2014.

**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 27, 2013. The collection period for property taxes was September 10, 2013 through November 15, 2013. Taxes receivable at June 30, 2014 amounted to \$215,026 while unavailable property taxes totaled \$207,220.

**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, 2014**

**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, 2014**

**Note 1: Summary of Significant Accounting Policies, continued**

**L. Fund Equity**

As of June 30, 2011, the County adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, improve the usefulness of fund balance information, and clarify the definitions of the governmental fund types. As a result of the implementation, the governmental funds now 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, 2014, none of the County's deposits was exposed to custodial credit risk.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 2: Deposits and Investments, continued**

**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, 2014, the County had \$17,645,640 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 and is 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 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, 2014**

**Note 2: Deposits and Investments, continued**

As of June 30, 2014, the County had the following investments:

<u>Type of Investment</u>	<u>Credit Risk</u>	<u>Maturities</u>	<u>Fair Value</u>
Unrestricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	62 days	329,467
Certificates of deposit		12 month	1,922,294
<u>General Fund</u>			
Georgia Fund 1	AAAf	62 days	9,442,978
<u>SPLOST 2004 Fund</u>			
Georgia Fund 1	AAAf	62 days	3,662,870
Restricted:			
<u>Water and Sewer Fund</u>			
Georgia Fund 1	AAAf	62 days	4,210,325
Fidelity Treasury Money Market Shares	AAAm	53 days	3,265
	Total restricted		<u>4,213,590</u>
	Total investments		<u>\$ 19,571,199</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.

**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, 2014**

**Note 2: Deposits and Investments, continued**

**Restricted Cash and Investments**

As of June 30, 2014, the County had the following restricted assets:

<u>Purpose</u>	<u>Balance</u>
<u>General Fund</u>	
Liability bonds payable	\$ 13,340
 <u>Water and Sewer Fund</u>	
Debt service reserve 2009 bonds	739,530
Debt service reserve 2012 bonds	101,667
Construction proceeds - WCWSA 2012 GEFA	273,508
Restricted cash - noncurrent	<u>1,114,705</u>
 <u>Water and Sewer Fund</u>	
Construction proceeds 2008 WCWSA Contract Payable	1,594,283
Debt service reserve 2008 WCWSA Contract Payable	1,994,865
Debt service reserve 2003 bonds	3,265
Customer deposits	621,177
Restricted investments - noncurrent	<u>\$ 4,213,590</u>

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2014 was as follows:

<u>Primary Government</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,709,663	\$ 177,273	\$ 126,998	\$ 11,759,938
Construction in progress	5,682,741	3,049,649	90,229	8,642,161
Total capital assets not being depreciated	<u>17,392,404</u>	<u>3,226,922</u>	<u>217,227</u>	<u>20,402,099</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	105,505,526	1,597,065	-	107,102,591
Buildings and improvements	43,556,018	96,215	-	43,652,233
Equipment, furniture and vehicles	14,489,971	417,547	66,788	14,840,730
Total capital assets being depreciated	<u>163,551,515</u>	<u>2,110,827</u>	<u>66,788</u>	<u>165,595,554</u>
Less accumulated depreciation for:				
Infrastructure	68,931,596	2,617,840	-	71,549,436
Buildings and improvements	10,261,595	1,370,783	-	11,632,378
Equipment, furniture and vehicles	10,517,898	816,196	66,788	11,267,306
Total accumulated depreciation	<u>89,711,089</u>	<u>4,804,819</u>	<u>66,788</u>	<u>94,449,120</u>
Total capital assets being depreciated, net	<u>73,840,426</u>	<u>(2,693,992)</u>	<u>-</u>	<u>71,146,434</u>
Governmental activity capital assets, net	<u>\$ 91,232,830</u>	<u>\$ 532,930</u>	<u>\$ 217,227</u>	<u>\$ 91,548,533</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 3: Capital Assets, continued**

General government	\$ 308,553
Judicial	21,934
Public safety	991,945
Public works	2,727,416
Health and welfare	32,403
Culture and recreation	663,768
Housing and development	58,800
Total governmental activities depreciation expense	\$ 4,804,819

Total interest cost incurred for governmental activities was \$774,656. All of the interest cost incurred for governmental activities was expensed.

**Business-type Activities:**

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Water and Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 3,442,714	\$ -	\$ -	\$ 3,442,714
Construction in progress	20,210,834	5,637,703	560,617	25,287,920
Intangibles	58,296	-	-	58,296
Total capital assets not being depreciated	23,711,844	5,637,703	560,617	28,788,930
Capital assets being depreciated:				
Treatment and distribution system	72,330,522	1,522,657	-	73,853,179
Buildings and improvements	296,136	-	-	296,136
Equipment, furniture and vehicles	988,791	19,062	-	1,007,853
Total capital assets being depreciated	73,615,449	1,541,719	-	75,157,168
Less accumulated depreciation for:				
Treatment and distribution system	19,500,941	1,461,870	-	20,962,811
Buildings and improvements	105,135	9,533	-	114,668
Equipment, furniture and vehicles	849,239	42,877	-	892,116
Total accumulated depreciation	20,455,315	1,514,280	-	21,969,595
Capital assets being depreciated, net	53,160,134	27,439	-	53,187,573
Water and sewer capital assets, net	76,871,978	5,665,142	560,617	81,976,503

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 3: Capital Assets, continued**

**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	276,178	12,036	9,236	278,978
Total capital assets being depreciated	<u>3,157,412</u>	<u>12,036</u>	<u>9,236</u>	<u>3,160,212</u>
Less accumulated depreciation for:				
Land improvements	28,990	2,244	-	31,234
Buildings and improvements	1,123,717	63,063	-	1,186,780
Equipment, furniture and vehicles	193,310	18,364	9,236	202,438
Total accumulated depreciation	<u>1,346,017</u>	<u>83,671</u>	<u>9,236</u>	<u>1,420,452</u>
Capital assets being depreciated, net	<u>1,811,395</u>	<u>(71,635)</u>	<u>-</u>	<u>1,739,760</u>
Total non-major business-type activities, net	<u>1,961,395</u>	<u>(71,635)</u>	<u>-</u>	<u>1,889,760</u>
Business-type activities capital assets, net	<u>\$ 78,833,373</u>	<u>\$ 5,593,507</u>	<u>\$ 560,617</u>	<u>\$ 83,866,263</u>

**Note 4: Interfund Balances and Activity**

**Interfund balances**

Interfund balances at June 30, 2014 consist of the following:

<u>Due to:</u>	<u>Due from:</u>				<u>Total</u>
	<u>General Fund</u>	<u>SPLOST 2009 Capital Projects Fund</u>	<u>Non-major Gov't Funds</u>	<u>Water &amp; Sewer Fund</u>	
<u>Governmental funds</u>					
General Fund	\$ -	\$ -	\$ 171,232	\$ 108,564	\$ 279,796
Non-major Gov't Funds	257,313	-	29,922	-	287,235
<u>Enterprise funds</u>					
Water and Sewer Fund	-	1,176	-	-	1,176
Non-major Enterprise Funds	163,960	-	-	-	163,960
	<u>\$ 421,273</u>	<u>\$ 1,176</u>	<u>\$ 201,154</u>	<u>\$ 108,564</u>	<u>\$ 732,167</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 County expects that all but \$227,284 of the funds held by the General Fund for a non-major governmental fund will be repaid during the coming year.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 4: Interfund Balances and Activity, continued**

**Transfers to/from Other Funds**

	Transfers in:				
Transfers Out:	General Fund	Nonmajor Gov't Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
<u>Governmental funds</u>					
General Fund	\$ -	\$ 1,277,229	\$ -	\$ 616,478	\$ 1,893,707
SPLOST 2009	-	-	115,514	-	115,514
Non-major Gov't Funds	83,287	17,993	395,453	15,000	511,733
	\$ 83,287	\$ 1,295,222	\$ 510,967	\$ 631,478	\$ 2,520,954

The General Fund transferred out \$1,277,229 to nonmajor gov't funds and \$616,478 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. The nonmajor gov't funds and the SPLOST 2009 Fund transferred \$395,453 and \$115,514, respectively, to the Water and Sewer Fund to assist with capital projects as was approved by the voters in SPLOST referendums. Transfers from nonmajor governmental funds to the General Fund and other nonmajor governmental funds were made to allow for a project to be accounted for within a single fund or to allow resources to be spent within funds that are required to spend certain funds. The nonmajor funds transferred \$75,674 of proceeds from a land sale to the General Fund to improve infrastructure.

**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 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 have been recorded in the Oconee County Water and Sewer Fund to recognize this investment and obligation.

The investment costs are amortized over the useful lives of the underlying assets of the investment. Approximately 10% of the total investment costs represent the investment into the land, 50% represent the investment into the reservoir, which has a useful life of 100 years, and 40% represent the investment into the treatment plant, which has a useful life of 50 years.

Investment in UOBWA at year-end consisted of the following:

Initial cash costs	\$ 70,221
Contract payable for 20.959% of revenue bond liability	12,733,127
Additional cash investments	41,250
	12,844,598
Accumulated amortization	(2,007,092)
Investment in UOBWA, net	\$ 10,837,506

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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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 \$312,160 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. Consequently, the Series 2003 bonds 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.

**Contract Payable - OCIDA**

During March 2012, the Oconee County Industrial Development Authority 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.

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7: Long-term Obligations, continued**

**Installment Note, continued**

As a result of this pre-payment, the monthly installments dropped to \$90,116 and are expected to be repaid by February 2015. ACCG will transfer certain of its interest in the Installment Sale Agreement under the terms of the transfer agreement by and between ACCG and Wells Fargo and will secure such assignment and stated obligations under the Installment Sale agreement with security title to the transferred property pursuant to a deed to secure debt from ACCG to Wells Fargo.

**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 will be liquidated by payments from the SPLOST 2009 Capital Projects Fund. The lease is payable in six annual payments. The lease qualifies as a capital lease for accounting purposes and has been recorded at the present value of future minimum lease payments at the date of inception. 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.

	<b>Historical Cost</b>	<b>Accumulated Depreciation</b>
Radio Communication System	\$ 3,205,700	57,088

Future minimum lease payments at June 30, 2014:

	<b>Governmental Activities</b>
<b>Year Ending June, 30</b>	
2015	500,000
2016	700,000
2017	400,545
Minimum lease payments	1,600,545
Less: Interest	(106,883)
Net present value of minimum lease payments	\$ 1,493,662

**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 \$23,685,000, 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 bear's 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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7: Long-term Obligations, continued**

**Conduit Debt, continued**

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. All of the bonds were outstanding at year end. 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.

***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 June 30, 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 is \$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, 2014**

**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. Again, by signing the contract, Oconee County agreed to pay the Issuer amounts sufficient to pay 20.959% of the debt service of the Series 2005 Bonds as well as the Series 1997 Bonds maturing in years 2005-2008. Interest payments were funded through July 1, 2005 from the proceeds of the Series 2005 Bond. The County is making monthly payments covering annual debt service requirements from \$562,679 to \$901,289, with a coupon interest rate varying from 2.00% to 5.125%. The contract matures on July 1, 2027. This advanced refunding of the 1997 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference amounted to \$618,294 and is being amortized over the remaining life of the new debt.

**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. The beginning balance of the contract payable was restated to reflect this agreement.



**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7: Long-term Obligations, continued**

**Note 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 total borrowed to date was \$10,194,076, of which the County is responsible for paying \$2,935,894. The note calls for no interest to be paid during the construction period, which continues until September 2015. During the repayment period, interest will accrue on the outstanding principal balance at 1%. Interest only payments will be made annually. All remaining outstanding interest and the outstanding principal will be paid in one payment on December 31, 2052. Because the note bears interest at a rate that differs 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, 2014 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Governmental activities:</b>					
Contract payable - OCIDA	\$ 10,380,000	\$ -	\$ -	\$ 10,380,000	\$ 410,000
Less: discount	(11,159)	-	(540)	(10,619)	-
Net contract payable	<u>10,368,841</u>	<u>-</u>	<u>(540)</u>	<u>10,369,381</u>	<u>410,000</u>
General obligation bonds	10,095,000	-	320,000	9,775,000	50,000
Issuance premiums	398,158	-	20,418	377,740	-
Total bonds payable	<u>10,493,158</u>	<u>-</u>	<u>340,418</u>	<u>10,152,740</u>	<u>50,000</u>
Compensated absences	613,877	381,864	358,062	637,679	-
Capital Leases	1,923,456	-	429,794	1,493,662	445,481
Installment note payable	1,742,170	-	1,031,706	710,464	710,464
Total governmental activities	<u>\$ 25,141,502</u>	<u>\$ 381,864</u>	<u>\$ 2,159,440</u>	<u>\$ 23,363,926</u>	<u>\$ 1,615,945</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7: Long-term Obligations, continued**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
<b>Business-type activities:</b>					
Note payable - GEFA	\$ 262,267	\$ 2,673,627	\$ -	\$ 2,935,894	\$ -
Less: discount on GEFA note	(127,508)	(1,253,965)	-	(1,381,473)	-
Total note payable	<u>134,759</u>	<u>1,419,662</u>	<u>-</u>	<u>1,554,421</u>	<u>-</u>
Contracts payable					
UOBWA Contract payable	8,051,399	-	410,796	7,640,603	425,468
WCWSA Contract payable	18,822,852	-	-	18,822,852	452,866
Less: issuance discount	(114,169)	-	(4,612)	(109,557)	-
Total contracts payable	<u>26,760,082</u>	<u>-</u>	<u>406,184</u>	<u>26,353,898</u>	<u>878,334</u>
Bonds payable:					
Revenue bonds	12,635,000	-	725,000	11,910,000	800,000
Deferred amounts:					
Issuance discounts	(2,232)	-	(223)	(2,009)	-
Issuance premiums	1,328,433	-	139,608	1,188,825	-
Total bonds payable	<u>13,961,201</u>	<u>-</u>	<u>864,385</u>	<u>13,096,816</u>	<u>800,000</u>
Compensated absences - Water	69,755	23,874	17,417	76,212	-
Compensated absences - Nonmajor	36,037	16,087	12,115	40,009	-
Total Business-type activities	<u>\$ 40,961,834</u>	<u>\$ 1,459,623</u>	<u>\$ 1,300,101</u>	<u>\$ 41,121,356</u>	<u>\$ 1,678,334</u>

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

	<u>2003 Series</u>	<u>2009 Series</u>	<u>2012 Series</u>	<u>Total</u>
Outstanding bond payable	\$ 100,000	\$ 5,070,000	\$ 6,740,000	\$ 11,910,000
Unamortized discount	(2,009)	-	-	(2,009)
Unamortized premium	-	117,432	1,071,393	1,188,825
Net total	<u>\$ 97,991</u>	<u>\$ 5,187,432</u>	<u>\$ 7,811,393</u>	<u>\$ 13,096,816</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, 2014**

**Note 7: Long-term Obligations, continued**

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2014 are as follows:

*Governmental activities*

Year Ending June 30,	Installment Note		General Obligation Bonds		Contract Payable - OCIDA	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 710,464	\$ 9,648	\$ 50,000	\$ 381,200	\$ 410,000	\$ 292,112
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 - 2024	-	-	2,415,000	1,357,600	2,380,000	1,111,494
2025 - 2029	-	-	2,920,000	819,403	2,710,000	784,352
2030 - 2034	-	-	2,750,000	263,903	3,155,000	340,776
	<u>\$ 710,464</u>	<u>\$ 9,648</u>	<u>\$ 9,775,000</u>	<u>\$ 4,255,441</u>	<u>\$ 10,380,000</u>	<u>\$ 3,599,932</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
2015	\$ -	\$ 4,500	\$ 800,000	\$ 175,263	\$ -	\$ 305,000
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 - 2024	100,000	20,250	835,000	16,700	5,755,000	821,075
	<u>\$ 100,000</u>	<u>\$ 42,750</u>	<u>\$ 5,070,000</u>	<u>\$ 623,557</u>	<u>\$ 6,740,000</u>	<u>\$ 2,302,750</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 7: Long-term Obligations, continued**

Year Ending June 30,	Contract Payable - UOBWA		Contract Payable - WCWSA		Note Payable - GEFA	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 425,468	\$ 375,740	\$ 452,866	\$ 902,131	\$ -	\$ -
2016	447,475	353,935	467,319	884,016	-	7,312
2017	469,482	331,561	486,590	865,324	-	29,494
2018	492,537	308,087	505,861	845,860	-	29,494
2019	517,687	283,460	525,132	825,626	-	29,494
2020 - 2024	2,999,233	1,006,797	2,991,807	3,772,459	-	147,469
2025 - 2029	2,288,721	221,275	3,772,279	2,989,158	-	147,469
2030 - 2034	-	-	4,822,543	1,946,602	-	147,469
2035 - 2039	-	-	4,798,455	614,260	-	147,469
2040 - 2044	-	-	-	-	-	147,469
2045 - 2049	-	-	-	-	-	147,469
2050 - 2053	-	-	-	-	2,935,894	117,976
	<u>\$ 7,640,603</u>	<u>\$ 2,880,855</u>	<u>\$ 18,822,852</u>	<u>\$ 13,645,436</u>	<u>\$ 2,935,894</u>	<u>\$ 1,098,584</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.

Business-type activities:	Total interest costs incurred	Interest costs capitalized	Interest expensed
Water and Sewer Fund	<u>\$ 1,736,168</u>	<u>\$ 901,425</u>	<u>\$ 834,743</u>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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 are required by Georgia law.

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

Capital projects	\$ 6,870,862
Judicial	84,131
Public safety	100,740
Housing and Development	153,076
	<u>\$ 7,208,809</u>

**Note 9: Retirement Benefits**

**Defined Benefit Pension Plan**

During the fiscal year ending June 30, 1990, the County began a Defined Benefit Pension Plan for full-time employees employed for three years or more. The plan is reported on a calendar year basis.

**Plan Description**

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Oconee County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated 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 benefit 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:

GEBCorp  
1100 Circle 75 Parkway, Suite 300  
Atlanta, Georgia 30339

**Funding Policy**

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

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.

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, 2014**

**Note 9: Retirement Benefits, continued**

The County's payroll for employees participating in the Plan as of January 1, 2013 (the most recent actuarial valuation date) was \$8,606,230 (based on W-2 earnings for the preceding year). Covered payroll refers to all compensation paid by the County to active employees covered by The Plan on which contributions to the pension plan are based. The required contribution for the 2014 plan year was \$932,130. The recommended contribution for the 2014 plan year was \$1,754,892, which represents 20.9% of covered payroll.

**Plan Membership**

Retirees and beneficiaries receiving benefits	73
Terminated plan members entitled to but not receiving benefits	92
Disabled in pay status	4
Active plan members	202
Total	371

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 3 years of participation in the Plan. Employees hired after August 2010 must have 10 years of service to be eligible to retire with benefits from the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of the greater of: a) 1.0% of average annual compensation up to \$6,600 plus 2% of average of the highest two years' annual compensation in excess of \$6,600 plus \$36 for each year of service prior to January 1, 1990 or b) 0.5% of average annual compensation up to \$6,600 plus 1% of average annual compensation in excess of \$6,600 plus \$36 multiplied by years of service to a maximum of 35 years, payable as a life annuity. Average annual compensation is based on the highest average of the Participant's compensation over five 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.

**Plan Asset Matter 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.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities. Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 9: Retirement Benefits, continued**

**Derivation of Net Pension Obligation**

Net Pension Obligation (Asset) as of the Beginning of Prior Year	\$ (216,542)
Annual Pension Cost for Prior Year	1,510,811
Actual Contributions to Plan for Prior Year	1,700,000
Change in Net Pension Obligation	<u>(189,189)</u>
Net Pension Obligation (Asset) as of Ending of Prior Year	<u>\$ (405,731)</u>

**Derivation of Annual Pension Cost**

Annual Required Contribution	\$ 1,603,961
Interest on Net Pension Obligation	(30,430)
Amortization of Net Pension Obligation	<u>33,054</u>
Annual Pension Cost	<u>\$ 1,606,585</u>

**Basis of Valuation**

Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	4.0% - 6.5%
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Amortization period	10 years

**Trend Information for the Plan**

Actuarial Valuation Date	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
1/1/2014	\$ 1,606,585	N/A	N/A	\$ (405,731)
1/1/2013	1,510,811	1,700,000	113%	(216,542)
1/1/2012	1,414,267	1,497,442	106%	(133,367)
1/1/2011	1,378,005	1,473,193	107%	(38,179)

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 9: Retirement Benefits, continued**

Information about the funding status of the plan as of the most recent valuation date is as follows:

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)
1/1/2014	\$ 12,044,748	\$ 17,313,298	\$ 5,268,550	69.6%	\$ 8,606,230	61.2%

The required supplementary information containing multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability directly follows the footnotes.

**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.

**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.



**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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 \$164,229 were recognized for retiree health care and Medicare supplements. The County has the following participants in its plan:

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

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>

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 10: Other Postemployment Benefits (OPEB), continued**

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>(164,229)</u>
Change in Net OPEB Obligation	(56,494)
Net OPEB Obligation/(Asset), beginning	<u>(29,458)</u>
Net OPEB Obligation/(Asset), ending	<u>\$ (85,952)</u>
Percentage of ARC contributed	153%

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%

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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**Note 10: Other Postemployment Benefits (OPEB), continued**

**Trend Information**

Year Ended	OPEB Cost	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation/(Asset)
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
6/30/2011	\$ 70,324	\$ 90,488	129%	\$ 45,240

**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.

**Oconee County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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 believes 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, 2014**

**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, 2014, the County received \$131,232 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 \$148,418 in expenditures. Of these expenditures, \$70,400 was spent from the restricted portion of fund balance and \$78,018 was spent from the unrestricted portion of the tax (40%). At June 30, 2014, \$239,043 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) entered into a construction loan agreement with the Georgia Environmental Finance Authority (GEFA) with a total available credit line of \$12 million for the purpose of continuing the construction work on the Hard Labor Creek reservoir. The loan bears no interest for the first three years following the first advance on the loan, bears 1% interest until the loan has been fully disbursed, and bears 2% interest thereafter until the loan matures. Once the loan begins bearing interest, the interest only will be payable monthly for five years. After those five years, interest and principal will be payable monthly for 35 years. The County has an intergovernmental agreement with WCWSA that requires that the County pay the interest and principal payments for 28.8% of any funds advanced to WCWSA through this loan.

## **Required Supplementary Information**

**Oconee County, Georgia**  
**Required Supplemental Information**  
**Retirement Plan - Schedule of Funding Progress**  
**June 30, 2014**

**RETIREMENT PLAN**  
Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>( c ) Covered Payroll</b>	<b>UAAL as a percentage of covered payroll (b - a) / c</b>
1/1/2014	12,044,748	17,313,298	5,268,550	69.6%	8,606,230	61.2%
1/1/2013	10,195,073	15,955,259	5,760,186	63.9%	\$ 8,779,600	65.6%
1/1/2012	9,005,571	14,519,069	5,513,498	62.0%	8,692,728	63.4%
1/1/2011	7,814,017	13,621,164	5,807,147	57.4%	8,132,027	71.4%
1/1/2010	6,646,600	12,007,784	5,361,184	55.4%	8,136,636	65.9%
1/1/2009	5,858,023	8,381,636	2,523,613	69.9%	7,455,563	33.8%
1/1/2008	5,326,928	7,509,236	2,182,308	70.9%	6,603,361	33.0%
1/1/2007	4,361,585	6,309,382	1,947,797	69.1%	5,832,064	33.4%

**Oconee County, Georgia**  
**Required Supplemental Information**  
**Other Postemployment Benefits - Schedule of Funding Progress**  
**June 30, 2014**

**OTHER POSTEMPLOYMENT BENEFITS**Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as a percentage of covered payroll (b - a) / c</u>
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**

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>
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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 17,457,000	\$ 18,648,600	\$ 18,610,224	\$ (38,376)
Licenses and permits	405,350	705,350	797,567	92,217
Intergovernmental revenue	35,000	3,127,590	3,127,964	374
Charges for services	2,450,165	2,450,165	2,450,784	619
Fines and forfeitures	362,500	362,500	351,954	(10,546)
Investment income	13,000	13,000	13,278	278
Miscellaneous	27,000	55,800	83,135	27,335
<b>Total revenues</b>	<u>20,750,015</u>	<u>25,363,005</u>	<u>25,434,906</u>	<u>71,901</u>
<b>EXPENDITURES</b>				
<b>Department level:</b>				
Commission	381,779	399,648	388,781	10,867
Administration	407,028	429,850	421,113	8,737
Human resources	435,466	451,372	449,575	1,797
Finance	593,465	549,150	532,988	16,162
Law enforcement	3,243,195	3,470,736	3,401,658	69,078
Jail	2,404,015	2,448,593	2,402,387	46,206
Tax commissioner	389,886	478,115	471,860	6,255
Probate court	420,594	432,087	425,912	6,175
Clerk of courts	621,390	696,145	690,848	5,297
Juvenile court	77,002	84,741	78,030	6,711
Superior court	360,722	342,121	308,675	33,446
District attorney	22,675	22,675	21,695	980
Magistrate court	71,429	81,073	79,320	1,753
Coroner	26,025	30,928	29,763	1,165
Tax assessor	541,519	563,419	548,351	15,068
Board of elections	161,895	189,988	183,803	6,185
Public works	2,219,121	5,514,394	5,450,712	63,682
Parks and recreation	2,200,890	2,494,263	2,433,150	61,113
Operations	1,533,958	1,600,676	1,559,071	41,605
Public safety	1,108,679	1,238,401	1,155,728	82,673
Planning	182,245	182,244	178,491	3,753
Code enforcement	645,482	676,856	661,659	15,197
Information technology	505,399	669,060	664,717	4,343
Joint governmental programs	829,279	858,913	847,825	11,088
<b>Total expenditures</b>	<u>19,383,138</u>	<u>23,905,448</u>	<u>23,386,112</u>	<u>519,336</u>
Excess of revenues over expenditures	1,366,877	1,457,557	2,048,794	591,237
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of capital asset dispositions	-	20,000	22,998	2,998
Transfers in	8,500	84,174	83,287	(887)
Transfers (out)	(2,003,013)	(2,047,361)	(1,893,707)	153,654
<b>Total other financing sources (uses)</b>	<u>(1,994,513)</u>	<u>(1,943,187)</u>	<u>(1,787,422)</u>	<u>155,765</u>
<b>Net change in fund balances</b>	(627,636)	(485,630)	261,372	747,002
<b>Fund balance - beginning</b>	8,895,430	8,895,430	8,895,430	-
<b>Fund balances - ending</b>	<u>\$ 8,267,794</u>	<u>\$ 8,409,800</u>	<u>\$ 9,156,802</u>	<u>\$ 747,002</u>

**Oconee County, Georgia**  
**Reconciliation of Budget Expenditures by Department to**  
**GAAP Basis Budget - General Fund**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Current:				
General government:				
Commission	\$ 381,779	\$ 399,648	\$ 388,781	\$ 10,867
Administration	407,028	429,850	421,113	8,737
Human resources	435,466	451,372	449,575	1,797
Finance	593,465	549,150	532,988	16,162
Board of elections	161,895	189,988	183,803	6,185
Information technology	505,399	669,060	664,717	4,343
Tax commissioner	389,886	478,115	471,860	6,255
Tax assessor	541,519	563,419	548,351	15,068
Operations	1,120,750	1,158,450	1,123,090	35,360
Superior court - Board of equalization	3,690	5,690	4,525	1,165
Judicial:				
Superior court	357,032	336,431	304,150	32,281
Clerk of courts	621,390	696,145	690,848	5,297
District attorney	22,675	22,675	21,695	980
Magistrate court	71,429	81,073	79,320	1,753
Probate court	420,594	432,087	425,912	6,175
Juvenile court	77,002	84,741	78,030	6,711
Public safety:				
Law enforcement	3,243,195	3,470,736	3,401,658	69,078
Jail	2,404,015	2,448,593	2,402,387	46,206
Public safety	1,108,679	1,238,401	1,155,728	82,673
Coroner	26,025	30,928	29,763	1,165
Public works:				
Public works	2,219,121	5,514,394	5,450,712	63,682
County facilities	413,208	442,226	435,981	6,245
Health and welfare:				
Joint gov't programs-health and welfare	234,785	236,260	236,056	204
Culture and recreation:				
Parks and recreation	2,200,890	2,494,263	2,433,150	61,113
Joint gov't program-library	436,175	456,500	454,908	1,592
Housing and development:				
Joint gov't program-development	158,319	166,153	156,861	9,292
Code enforcement	645,482	676,856	661,659	15,197
Planning	182,245	182,244	178,491	3,753
Total expenditures by department	<u>\$ 19,383,138</u>	<u>\$ 23,905,448</u>	<u>\$ 23,386,112</u>	<u>\$ 519,336</u>

**Oconee County, Georgia**  
**Notes to Required Supplementary Information**  
**June 30, 2014**

**NOTE A: 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, 2014**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 1,068,304	\$ 1,151,599	\$ 2,219,903
Investments, plus accrued interest	-	3,662,870	3,662,870
Accounts receivable, net	161,711	-	161,711
Taxes receivable, net	3,600	-	3,600
Internal balances	287,235	-	287,235
Due from other governments	101,991	-	101,991
Prepaid items	6,666	-	6,666
<b>Total assets</b>	<b>\$ 1,629,507</b>	<b>\$ 4,814,469</b>	<b>\$ 6,443,976</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 178,315	\$ -	\$ 178,315
Internal balances	201,154	-	201,154
Salaries and benefits payable	18,907	-	18,907
<b>Total liabilities</b>	<b>398,376</b>	<b>-</b>	<b>398,376</b>
Deferred inflows of resources:			
Unavailable property taxes	3,540	-	3,540
<b>Total deferred inflows</b>	<b>3,540</b>	<b>-</b>	<b>3,540</b>
Fund balances:			
Nonspendable	6,666	-	6,666
Restricted			
Capital projects	85,973	4,814,469	4,900,442
Judicial	92,736	-	92,736
Public safety	162,482	-	162,482
Culture and recreation	52,794	-	52,794
Housing and development	153,070	-	153,070
Assigned			
Health and welfare	82,025	-	82,025
Housing and development	597,644	-	597,644
Unassigned	(5,799)	-	(5,799)
<b>Total fund balances</b>	<b>1,227,591</b>	<b>4,814,469</b>	<b>6,042,060</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 1,629,507</b>	<b>\$ 4,814,469</b>	<b>\$ 6,443,976</b>

Oconee County, Georgia  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2014

	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
<b>ASSETS</b>											
Cash	\$ 55,196	\$ 83,476	\$ 34,379	\$ 196,132	\$ 25,306	\$ -	\$ -	\$ 263	\$ -	\$ 673,552	\$ 1,068,304
Accounts receivable, net	52,772	-	-	5,150	-	91,300	-	-	12,489	-	161,711
Taxes receivable, net	-	-	-	-	-	-	-	3,600	-	-	3,600
Internal balances	-	-	-	15,867	9,911	-	16,101	18,072	227,284	-	287,235
Due from other governments	-	-	-	-	71,650	-	30,341	-	-	-	101,991
Prepaid items	867	-	-	-	-	5,451	-	-	348	-	6,666
<b>Total assets</b>	<u>\$ 108,835</u>	<u>\$ 83,476</u>	<u>\$ 34,379</u>	<u>\$ 217,149</u>	<u>\$ 106,867</u>	<u>\$ 96,751</u>	<u>\$ 46,442</u>	<u>\$ 21,935</u>	<u>\$ 240,121</u>	<u>\$ 673,552</u>	<u>\$ 1,629,507</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	\$ 5,600	\$ -	\$ -	\$ 2,039	\$ 106,212	\$ 14,783	\$ 30,575	\$ 18,395	\$ 477	\$ 234	\$ 178,315
Internal balances	15,274	-	1,106	24,502	-	68,731	15,867	-	-	75,674	201,154
Salaries and benefits payable	5,069	-	-	-	-	13,237	-	-	601	-	18,907
<b>Total liabilities</b>	<u>25,943</u>	<u>-</u>	<u>1,106</u>	<u>26,541</u>	<u>106,212</u>	<u>96,751</u>	<u>46,442</u>	<u>18,395</u>	<u>1,078</u>	<u>75,908</u>	<u>398,376</u>
Deferred inflows of resources:											
Unavailable property taxes	-	-	-	-	-	-	-	3,540	-	-	3,540
<b>Total deferred inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,540</u>	<u>-</u>	<u>-</u>	<u>3,540</u>
Fund balances:											
Nonspendable	867	-	-	-	-	5,451	-	-	348	-	6,666
Restricted											
Capital Projects	-	-	-	-	-	-	-	-	85,973	-	85,973
Judicial	-	83,476	-	8,605	655	-	-	-	-	-	92,736
Public safety	-	-	33,273	129,209	-	-	-	-	-	-	162,482
Culture and recreation	-	-	-	52,794	-	-	-	-	-	-	52,794
Housing and development	-	-	-	-	-	-	-	-	153,070	-	153,070
Assigned											
Health and welfare	82,025	-	-	-	-	-	-	-	-	-	82,025
Housing and development	-	-	-	-	-	-	-	-	-	597,644	597,644
Unassigned	-	-	-	-	-	(5,451)	-	-	(348)	-	(5,799)
<b>Total fund balances</b>	<u>82,892</u>	<u>83,476</u>	<u>33,273</u>	<u>190,608</u>	<u>655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,043</u>	<u>597,644</u>	<u>1,227,591</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 108,835</u>	<u>\$ 83,476</u>	<u>\$ 34,379</u>	<u>\$ 217,149</u>	<u>\$ 106,867</u>	<u>\$ 96,751</u>	<u>\$ 46,442</u>	<u>\$ 21,935</u>	<u>\$ 240,121</u>	<u>\$ 673,552</u>	<u>\$ 1,629,507</u>



**Oconee County, Georgia**  
**Nonmajor Governmental Funds - Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2014**

	<b>SPLOST 2004 Fund</b>	<b>Local Resources Capital Projects Fund</b>	<b>Industrial Development Authority Projects Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>				
Cash	\$ 72,819	\$ -	1,078,780	\$ 1,151,599
Investments	3,662,870	-	-	3,662,870
<b>Total assets</b>	<b>\$ 3,735,689</b>	<b>\$ -</b>	<b>\$ 1,078,780</b>	<b>\$ 4,814,469</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted				
Capital projects	3,735,689	-	1,078,780	4,814,469
<b>Total fund balances</b>	<b>3,735,689</b>	<b>-</b>	<b>1,078,780</b>	<b>4,814,469</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,735,689</b>	<b>\$ -</b>	<b>\$ 1,078,780</b>	<b>\$ 4,814,469</b>

**Oconee County, Georgia**  
**All Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 131,232	\$ -	\$ 131,232
Intergovernmental revenue	526,750	-	526,750
Charges for services	1,069,526	-	1,069,526
Fines and forfeitures	71,174	-	71,174
Investment income	1,945	4,596	6,541
Contributions and donations	79,133	-	79,133
Miscellaneous	18,057	-	18,057
<b>Total revenues</b>	<u>1,897,817</u>	<u>4,596</u>	<u>1,902,413</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,558	-	4,558
Judicial	438,937	-	438,937
Public safety	1,517,073	-	1,517,073
Public works	217,161	-	217,161
Health and welfare	432,172	-	432,172
Culture and recreation	32,550	-	32,550
Housing and development	259,881	-	259,881
Debt service:			
Interest and fiscal charges	-	292,112	292,112
Capital outlay			
General government	-	38,051	38,051
Public safety	-	126,751	126,751
Housing and development	-	86,895	86,895
<b>Total expenditures</b>	<u>2,902,332</u>	<u>543,809</u>	<u>3,446,141</u>
Deficiency of revenues under expenditures	<u>(1,004,515)</u>	<u>(539,213)</u>	<u>(1,543,728)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Proceeds from sale of capital assets	292,220	-	292,220
Transfers in	1,168,471	126,751	1,295,222
Transfers (out)	(116,280)	(395,453)	(511,733)
<b>Total other financing sources (uses)</b>	<u>1,344,411</u>	<u>(268,702)</u>	<u>1,075,709</u>
<b>Change in fund balances</b>	339,896	(807,915)	(468,019)
<b>Fund balances - beginning</b>	<u>887,695</u>	<u>5,622,384</u>	<u>6,510,079</u>
<b>Fund balances - ending</b>	<u>\$ 1,227,591</u>	<u>\$ 4,814,469</u>	<u>\$ 6,042,060</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, 2014**

	<b>Council on Aging</b>	<b>Law Library</b>	<b>Confiscated Assets</b>	<b>Special Revenue Fund</b>	<b>Victims Services and Forfeited Property</b>	<b>E-911</b>	<b>Multiple Grant Fund</b>	<b>Special Lighting District</b>	<b>Hotel/Motel Tax</b>	<b>Industrial Development Authority</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,232	\$ -	\$ 131,232
Intergovernmental revenue	149,248	-	-	3,751	261,464	-	112,287	-	-	-	526,750
Charges for services	-	-	-	36,905	-	703,731	-	174,418	-	154,472	1,069,526
Fines and forfeitures	-	8,512	16,733	21,551	24,378	-	-	-	-	-	71,174
Investment income	90	82	33	354	-	-	-	-	-	1,386	1,945
Contributions and donations	-	-	2,455	76,678	-	-	-	-	-	-	79,133
Miscellaneous	17,912	-	-	145	-	-	-	-	-	-	18,057
<b>Total revenues</b>	<b>167,250</b>	<b>8,594</b>	<b>19,221</b>	<b>139,384</b>	<b>285,842</b>	<b>703,731</b>	<b>112,287</b>	<b>174,418</b>	<b>131,232</b>	<b>155,858</b>	<b>1,897,817</b>
<b>EXPENDITURES</b>											
Current:											
General government	-	-	-	4,558	-	-	-	-	-	-	4,558
Judicial	-	6,080	-	1,652	430,291	-	914	-	-	-	438,937
Public safety	-	-	6,115	40,652	-	1,387,311	82,995	-	-	-	1,517,073
Public works	-	-	-	-	-	-	-	217,161	-	-	217,161
Health and welfare	387,172	-	-	-	-	-	45,000	-	-	-	432,172
Culture and recreation	-	-	-	32,550	-	-	-	-	-	-	32,550
Housing and development	-	-	-	-	-	-	-	-	148,418	111,463	259,881
<b>Total expenditures</b>	<b>387,172</b>	<b>6,080</b>	<b>6,115</b>	<b>79,412</b>	<b>430,291</b>	<b>1,387,311</b>	<b>128,909</b>	<b>217,161</b>	<b>148,418</b>	<b>111,463</b>	<b>2,902,332</b>
Excess (deficiency) of revenues over (under) expenditures	(219,922)	2,514	13,106	59,972	(144,449)	(683,580)	(16,622)	(42,743)	(17,186)	44,395	(1,004,515)
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	292,220	292,220
Transfers in	260,884	-	-	7,700	144,451	683,580	3,588	42,743	25,525	-	1,168,471
Transfers (out)	-	-	-	(25,606)	-	-	-	-	-	(90,674)	(116,280)
<b>Total other financing sources (uses)</b>	<b>260,884</b>	<b>-</b>	<b>-</b>	<b>(17,906)</b>	<b>144,451</b>	<b>683,580</b>	<b>3,588</b>	<b>42,743</b>	<b>25,525</b>	<b>201,546</b>	<b>1,344,411</b>
<b>Net change in fund balances</b>	<b>40,962</b>	<b>2,514</b>	<b>13,106</b>	<b>42,066</b>	<b>2</b>	<b>-</b>	<b>(13,034)</b>	<b>-</b>	<b>8,339</b>	<b>245,941</b>	<b>339,896</b>
<b>Fund balances - beginning</b>	<b>41,930</b>	<b>80,962</b>	<b>20,167</b>	<b>148,542</b>	<b>653</b>	<b>-</b>	<b>13,034</b>	<b>-</b>	<b>230,704</b>	<b>351,703</b>	<b>887,695</b>
<b>Fund balances - ending</b>	<b>\$ 82,892</b>	<b>\$ 83,476</b>	<b>\$ 33,273</b>	<b>\$ 190,608</b>	<b>\$ 655</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 239,043</b>	<b>\$ 597,644</b>	<b>\$ 1,227,591</b>

**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, 2014**

	<b>SPLOST 2004 Fund</b>	<b>Local Resources Capital Projects Fund</b>	<b>Industrial Development Authority Projects Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>				
Investment income	\$ 4,596	\$ -	\$ -	\$ 4,596
<b>Total revenues</b>	<u>4,596</u>	<u>-</u>	<u>-</u>	<u>4,596</u>
<b>EXPENDITURES</b>				
Debt service:				
Interest and fiscal charges	-	-	292,112	292,112
Capital outlay				
General government	38,051	-	-	38,051
Public safety	-	126,751	-	126,751
Housing and development	-	-	86,895	86,895
<b>Total expenditures</b>	<u>38,051</u>	<u>126,751</u>	<u>379,007</u>	<u>543,809</u>
Deficiency of revenues under expenditures	<u>(33,455)</u>	<u>(126,751)</u>	<u>(379,007)</u>	<u>(539,213)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	126,751	-	126,751
Transfers (out)	(395,453)	-	-	(395,453)
<b>Total other financing sources (uses)</b>	<u>(395,453)</u>	<u>126,751</u>	<u>-</u>	<u>(268,702)</u>
<b>Net change in fund balances</b>	(428,908)	-	(379,007)	(807,915)
<b>Fund balances - beginning</b>	<u>4,164,597</u>	<u>-</u>	<u>1,457,787</u>	<u>5,622,384</u>
<b>Fund balances - ending</b>	<u>\$ 3,735,689</u>	<u>\$ -</u>	<u>\$ 1,078,780</u>	<u>\$ 4,814,469</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, 2014**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 2,291	\$ 6,653	\$ 8,944
Accounts receivable, net	2,435	10,061	12,496
Internal balances	32,013	131,947	163,960
Due from other governments	-	4,036	4,036
Prepaid items	1,430	3,336	4,766
Total current assets	<u>38,169</u>	<u>156,033</u>	<u>194,202</u>
Noncurrent assets:			
Net pension asset	4,713	9,398	14,111
Capital assets not being depreciated	125,000	25,000	150,000
Capital assets, net of depreciation	56,168	1,683,592	1,739,760
Total capital assets	<u>181,168</u>	<u>1,708,592</u>	<u>1,889,760</u>
<b>Total assets</b>	<u>224,050</u>	<u>1,874,023</u>	<u>2,098,073</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	18,541	10,253	28,794
Salaries and benefits payable	3,298	6,272	9,570
Total current liabilities	<u>21,839</u>	<u>16,525</u>	<u>38,364</u>
Noncurrent liabilities:			
Compensated absences	8,409	33,099	41,508
Total noncurrent liabilities	<u>8,409</u>	<u>33,099</u>	<u>41,508</u>
<b>Total liabilities</b>	<u>30,248</u>	<u>49,624</u>	<u>79,872</u>
<b>NET POSITION</b>			
Net investment in capital assets	181,168	1,708,592	1,889,760
Unrestricted	12,634	115,807	128,441
<b>Total net position</b>	<u>\$ 193,802</u>	<u>\$ 1,824,399</u>	<u>\$ 2,018,201</u>

**Oconee County, Georgia**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 194,281	\$ 71,835	\$ 266,116
Licenses and permits	7,000	-	7,000
Rents and royalties	-	119,723	119,723
Miscellaneous	-	13,590	13,590
<b>Total operating revenues</b>	<b>201,281</b>	<b>205,148</b>	<b>406,429</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	159,336	418,837	578,173
Other contracted services	167,282	5,886	173,168
Supplies and materials	13,696	29,409	43,105
Repairs and maintenance	3,581	24,027	27,608
Utilities	10,353	58,888	69,241
Insurance	3,834	4,383	8,217
Depreciation and amortization	6,318	77,353	83,671
Other charges	12,259	42,465	54,724
<b>Total operating expenses</b>	<b>376,659</b>	<b>661,248</b>	<b>1,037,907</b>
<b>Operating loss</b>	<b>(175,378)</b>	<b>(456,100)</b>	<b>(631,478)</b>
<b>Loss before contributions and transfers</b>	<b>(175,378)</b>	<b>(456,100)</b>	<b>(631,478)</b>
Transfers in	175,378	456,100	631,478
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net position - beginning</b>	<b>193,802</b>	<b>1,824,399</b>	<b>2,018,201</b>
<b>Total net position - ending</b>	<b>\$ 193,802</b>	<b>\$ 1,824,399</b>	<b>\$ 2,018,201</b>

**Oconee County, Georgia**  
**Combining Schedule of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Solid Waste Fund</b>	<b>Special Facilities Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 200,066	\$ 197,030	\$ 397,096
Payments to suppliers	(222,405)	(185,162)	(407,567)
Payments to employees	(161,821)	(421,480)	(583,301)
Receipts from others	-	1,368	1,368
Net cash (used) by operating activities	<u>(184,160)</u>	<u>(408,244)</u>	<u>(592,404)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	175,378	456,100	631,478
Interfund loans - proceeds and collections	10,277	(29,804)	(19,527)
Net cash provided by noncapital financing activities	<u>185,655</u>	<u>426,296</u>	<u>611,951</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(12,036)	(12,036)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(12,036)</u>	<u>(12,036)</u>
Net change in cash and cash equivalents	1,495	6,016	7,511
Cash - beginning of the year	796	637	1,433
Cash - end of the year	<u>\$ 2,291</u>	<u>\$ 6,653</u>	<u>\$ 8,944</u>



**Oconee County, Georgia**  
**Combining Schedule of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Solid Waste Fund</u>	<u>Special Facilities Fund</u>	<u>Total</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (175,378)	\$ (456,100)	\$ (631,478)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation and amortization expense	6,318	77,353	83,671
Change in assets and liabilities:			
Receivables, net	(1,215)	(8,118)	(9,333)
Prepaid items	(464)	(435)	(899)
Due from other governments	-	1,368	1,368
Net pension asset	(2,227)	(4,298)	(6,525)
Accounts payable	(10,936)	(19,669)	(30,605)
Accrued expenses	262	(4,336)	(4,074)
Compensated absences	(520)	5,991	5,471
Net cash (used) by operating activities	<u>\$ (184,160)</u>	<u>\$ (408,244)</u>	<u>\$ (592,404)</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, 2014**

	<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>
<b>ASSETS</b>							
Cash	\$ 35,921	\$ 9,591	\$ 491,268	\$ 55,588	\$ 61,523	\$ 304	\$ 654,195
<b>Total Assets</b>	<u>\$ 35,921</u>	<u>\$ 9,591</u>	<u>\$ 491,268</u>	<u>\$ 55,588</u>	<u>\$ 61,523</u>	<u>\$ 304</u>	<u>\$ 654,195</u>
<b>LIABILITIES</b>							
Due to others	\$ 35,921	\$ 9,591	\$ 491,268	\$ 55,588	\$ 61,523	\$ 304	\$ 654,195
<b>Total Liabilities</b>	<u>\$ 35,921</u>	<u>\$ 9,591</u>	<u>\$ 491,268</u>	<u>\$ 55,588</u>	<u>\$ 61,523</u>	<u>\$ 304</u>	<u>\$ 654,195</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2014</u>
<b>TAX COMMISSIONER</b>				
Assets				
Cash	\$ 35,951	\$ 42,991,480	\$ 42,991,510	\$ 35,921
	<u>35,951</u>	<u>42,991,480</u>	<u>42,991,510</u>	<u>35,921</u>
Liabilities				
Due to others	35,951	42,991,480	42,991,510	35,921
	<u>35,951</u>	<u>42,991,480</u>	<u>42,991,510</u>	<u>35,921</u>
<b>SHERIFF</b>				
Assets				
Cash	8,257	64,717	63,383	9,591
	<u>8,257</u>	<u>64,717</u>	<u>63,383</u>	<u>9,591</u>
Liabilities				
Due to others	8,257	64,717	63,383	9,591
	<u>8,257</u>	<u>64,717</u>	<u>63,383</u>	<u>9,591</u>
<b>SUPERIOR COURT</b>				
Assets				
Cash	496,399	1,931,361	1,936,492	491,268
	<u>496,399</u>	<u>1,931,361</u>	<u>1,936,492</u>	<u>491,268</u>
Liabilities				
Due to others	496,399	1,931,361	1,936,492	491,268
	<u>\$ 496,399</u>	<u>\$ 1,931,361</u>	<u>\$ 1,936,492</u>	<u>\$ 491,268</u>

**Oconee County, Georgia**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2014</u>
<b>PROBATE COURT</b>				
Assets				
Cash	\$ 49,968	\$ 573,135	\$ 567,515	\$ 55,588
	<u>49,968</u>	<u>573,135</u>	<u>567,515</u>	<u>55,588</u>
Liabilities				
Due to others	49,968	573,135	567,515	55,588
	<u>49,968</u>	<u>573,135</u>	<u>567,515</u>	<u>55,588</u>
<b>MAGISTRATE COURT</b>				
Assets				
Cash	67,778	248,880	255,135	61,523
	<u>67,778</u>	<u>248,880</u>	<u>255,135</u>	<u>61,523</u>
Liabilities				
Due to others	67,778	248,880	255,135	61,523
	<u>67,778</u>	<u>248,880</u>	<u>255,135</u>	<u>61,523</u>
<b>JUVENILE COURT</b>				
Assets				
Cash	338	11,462	11,496	304
	<u>338</u>	<u>11,462</u>	<u>11,496</u>	<u>304</u>
Liabilities				
Due to others	338	11,462	11,496	304
	<u>338</u>	<u>11,462</u>	<u>11,496</u>	<u>304</u>
<b>TOTALS</b>				
Assets				
Cash	658,691	45,821,035	45,825,531	654,195
	<u>658,691</u>	<u>45,821,035</u>	<u>45,825,531</u>	<u>654,195</u>
Liabilities				
Due to others	658,691	45,821,035	45,825,531	654,195
	<u>\$ 658,691</u>	<u>\$ 45,821,035</u>	<u>\$ 45,825,531</u>	<u>\$ 654,195</u>

## **Other Supplementary Information**

# **Bond Disclosures**

**Oconee County, Georgia  
Water and Sewer Fund  
Bond Disclosures  
System Customers  
June 30, 2014**

Set forth below are the total number of customers for the last five years.

<b><u>Water Customers</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Residential	7,880	7,967	8,056	8,279	8,633
Commercial/Industrial	658	661	747	814	958
Total	<u>8,538</u>	<u>8,628</u>	<u>8,803</u>	<u>9,093</u>	<u>9,591</u>
<b><u>Sewer Customers</u></b>					
Residential	1,126	1,137	1,152	1,192	1,440
Commercial/Industrial	296	300	382	441	519
Total	<u>1,422</u>	<u>1,437</u>	<u>1,534</u>	<u>1,633</u>	<u>1,959</u>



**Oconee County, Georgia  
Water and Sewer Fund  
Bond Disclosures  
Largest Customers  
June 30, 2014**

TEN LARGEST WATER CUSTOMERS

<u>Customer</u>	<u>Business/Product</u>	<u>Total Water Billings FY 2014</u>	<u>Percentage of System Revenues</u> <sup>1</sup>
Oconee County Board of Education	Education	\$ 94,651	1.69%
Walton County Water and Sewer Authority	Retail Water Supply	70,853	1.27%
Piedmont Water	Private Water Supply	42,369	< 1.0
Ameripride	Linen Supply	36,900	< 1.0
Georgia General Kipling	Mobile Home Park	35,998	< 1.0
Family Life Enrichment Center	Nursing Home	31,103	< 1.0
Highland Hills Village	Nursing Home	28,586	< 1.0
Oconee County Board of Commissioners	Local Government	28,003	< 1.0
Athens Academy	Private Education	25,541	< 1.0
Kroger	Grocery	16,830	< 1.0
Total		\$ 410,834	7.34%

<sup>1</sup> Total water sales of the Water System for the fiscal year ended June 30, 2014 were \$5,594,926  
Water sales does not include other ancillary charges such as late charges and meter fees.

TEN LARGEST SEWER CUSTOMERS

<u>Customer</u>	<u>Business/Product</u>	<u>Total Sewer Billings FY 2014</u>	<u>Percentage of System Revenues</u> <sup>1</sup>
Ameripride	Linen Supply	\$ 87,455	7.32%
Oconee County Board of Education	Education	49,518	4.14%
Benson's, Inc.	Food Processing	33,061	2.77%
Georgia General Kipling	Mobile Home Park	28,785	2.41%
Oconee County Board of Commissioners	Local Government	15,851	1.33%
Kroger	Grocery	12,322	1.03%
Walmart	Retail	12,202	1.02%
Home Depot	Retail	11,845	< 1.0
Athens Academy	Private Education	9,074	< 1.0
Ryan's Buffets, Inc.	Restaurant	8,818	< 1.0
Total		\$ 268,931	22.50%

<sup>1</sup> Total sewer sales of the Sewer System for the fiscal year ended June 30, 2014 were \$1,195,331  
Sewer sales does not include other ancillary charges such as late charges and meter fees.

**Oconee County, Georgia**  
**Water and Sewer Fund**  
**Bond Disclosures**  
**Five Year Operating History**  
**June 30, 2014**

Set forth below is a historical, comparative summary of the revenues and expenses of the System for the past five fiscal years.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,367,287	\$ 6,063,055	\$ 6,678,469	\$ 6,389,969	\$ 6,902,292
Miscellaneous	150,150	207,788	160,058	236,948	245,272
<b>Total operating revenues</b>	<u>5,517,437</u>	<u>6,270,843</u>	<u>6,838,527</u>	<u>6,626,917</u>	<u>7,147,564</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	1,122,116	1,096,991	1,136,458	1,192,213	1,265,331
Other contracted services	42,185	72,853	87,814	90,756	77,168
Water purchase and treatment costs	1,089,535	1,098,991	1,056,457	1,157,868	1,293,365
Supplies and materials	58,527	50,105	61,989	44,899	70,926
Repairs and maintenance	163,031	189,139	323,991	562,441	443,596
Utilities	290,920	326,491	335,581	348,414	381,417
Insurance	6,182	12,254	11,085	11,969	9,860
Depreciation	1,492,273	1,483,658	1,467,400	1,445,624	1,514,280
Other charges	62,838	70,638	89,037	105,476	95,230
<b>Total operating expenses</b>	<u>4,327,607</u>	<u>4,401,120</u>	<u>4,569,812</u>	<u>4,959,660</u>	<u>5,151,173</u>
<b>Operating income (loss)</b>	<u>1,189,830</u>	<u>1,869,723</u>	<u>2,268,715</u>	<u>1,667,257</u>	<u>1,996,391</u>
<b>NONOPERATING REVENUES</b>					
<b>(EXPENSES)</b>					
Investment earnings	84,866	51,436	34,908	39,732	24,327
Water availability fees	60,892	140,721	225,941	696,241	1,036,765
Sewer capacity fees	-	78,716	167,494	389,490	619,485
Sewer connection fees	16,000	8,000	20,800	54,250	228,650
Gain (loss) on disposal of assets	-	6,292	(31,873)	1,279	-
Amortization expense - UOBWA	(167,378)	(167,378)	(167,378)	(167,378)	(167,378)
Interest expense	(1,193,623)	(1,087,539)	(1,056,702)	(913,457)	(834,743)
<b>Total nonoperating revenue (expenses)</b>	<u>(1,199,243)</u>	<u>(969,752)</u>	<u>(806,810)</u>	<u>100,157</u>	<u>907,106</u>
<b>Income (loss) before contributions and transfers</b>	(9,413)	899,971	1,461,905	1,767,414	2,903,497
Capital contributions	874,932	398,119	279,627	352,208	2,216,006
Transfers in	979,050	590,283	658,276	785,668	510,967
<b>Change in net position</b>	<u>1,844,569</u>	<u>1,888,373</u>	<u>2,399,808</u>	<u>2,905,290</u>	<u>5,630,470</u>
<b>Total net position - beginning</b>	49,379,542	51,224,111	53,112,484	55,512,292	57,699,669
<b>Change in accounting principle</b>	-	-	-	(717,913)	-
<b>Total net position - beginning, as restated</b>	<u>49,379,542</u>	<u>51,224,111</u>	<u>53,112,484</u>	<u>54,794,379</u>	<u>57,699,669</u>
<b>Total net position - ending</b>	<u>\$ 51,224,111</u>	<u>\$ 53,112,484</u>	<u>\$ 55,512,292</u>	<u>\$ 57,699,669</u>	<u>\$ 63,330,139</u>

**Oconee County, Georgia**  
**Water and Sewer Fund**  
**Bond Disclosures**  
**Historical Debt Service Coverage Ratios**  
**June 30, 2014**

Set forth below are the System's historical debt service coverage ratios for the past five fiscal years.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Historical Net Revenues Available for Debt Service (1)	\$ 3,822,911	\$ 4,228,829	\$ 4,811,661	\$ 6,217,440	\$ 5,930,865
Historical Debt Service on Revenue Bonds (2)	1,567,993	815,358	1,416,614	1,227,419	1,227,419
Historical Debt Service Coverage Ratio	2.44	5.19	3.40	5.07	4.83

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1 Consists of: (i) Change in net position, plus Depreciation, plus Amortization - UOBWA(amortization of the investment cost in the Upper Oconee Basin Water Authority), plus Interest expense; minus (ii) capital contributions. Includes water availability, sewer capacity fees and connection fees in fiscal years 2014, 2013, 2012, 2011 and 2010 of \$1,884,900; \$1,113,981; \$414,235; \$227,437; \$76,892.

2 Excludes debt service on the loan payable to GEFA because the loan was secured by a subordinate lien on the Net Revenues of the System. Also excludes the Upper Oconee Debt Service Payment made pursuant to the Upper Oconee Agreements and Supplemental Contract and the Walton Authority Debt Service Payments made pursuant to the Walton Contracts because these obligations are subordinate to the obligations with respect to the Series 2003, Series 2009 and Series 2012 Bonds.

# **Compliance**

# Treadwell, Tamplin & Co.

Certified Public Accountants  
A Limited Liability Partnership

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Madison, Georgia 30650

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 2014, 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, 2014. 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.

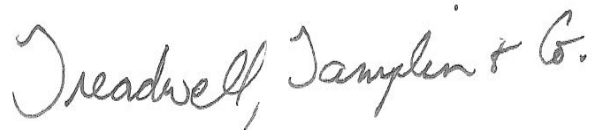
### Compliance and Other Matters

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, 2014.

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, Jamplin & Co." The signature is written in dark ink and is positioned in the center of the page.

Madison, Georgia  
December 31, 2014

## **Other Schedules - Governmental Funds**

**Oconee County, Georgia**  
**Schedule of Special Purpose Local Option Sales Tax**  
**For the Fiscal Year Ended June 30, 2014**

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentages of Completion
			Prior Years	Current Year	Total	
<b>2004 Referendum***</b>						
Water & Sewer improvements	\$ 6,000,000	\$ 6,970,000	\$ 6,574,547	395,453	\$ 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	6,276,265	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	972,803	38,051	1,010,854	21.98%
<b>Totals</b>	<b>\$ 25,000,000</b>	<b>\$ 26,379,006</b>	<b>\$ 22,356,355</b>	<b>\$ 433,504</b>	<b>\$ 22,789,859</b>	
<b>2009 Referendum***</b>						
Recreation facilities	\$ 4,847,985	\$ 4,847,985	\$ 2,527,752	\$ 704,720	\$ 3,232,472	66.68%
County Jail and Emergency Operation Center-911 Building	6,059,981	6,059,981	4,055,444	1,081,184	5,136,628	84.76%
Water & Sewer facilities	6,884,176	6,884,176	14,800	115,514	130,314	1.89%
Roads, Streets & Bridges	8,080,020	8,080,020	4,454,792	1,800,808	6,255,600	77.42%
Recreational, Historic and Scenic Facilities	1,110,999	1,110,999	164,488	76,620	241,108	21.70%
Fire Station Facilities and Equipment	3,939,014	3,939,014	1,766,640	143,968	1,910,608	48.50%
Communication Facilities	3,232,001	3,508,604	3,330,212	70,206	3,400,418	96.92%
Farmland Protection	504,984	504,984	111,000	87,500	198,500	39.31%
Payment to Cities						
City of Watkinsville	3,227,960	3,227,960	1,576,020	475,724	2,051,744	63.56%
Town of Bogart	1,616,000	1,616,000	788,996	238,160	1,027,156	63.56%
Town of North High Shoals	674,680	674,680	329,406	99,432	428,838	63.56%
Town of Bishop	222,200	222,200	108,487	32,747	141,234	63.56%
<b>Totals</b>	<b>\$ 40,400,000</b>	<b>\$ 40,676,603</b>	<b>\$ 19,228,037</b>	<b>4,926,583</b>	<b>\$ 24,154,620</b>	
Principal payment on Communication Facility purchased using capital lease				429,794		
Total expenditures and transfers reported in the SPLOST 2009 fund				<b>\$ 5,356,377</b>		

\*\*\*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, 2014**

<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	93-1414000-96	\$ 33,750	\$ 45,000	\$ 11,250

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

For the Year Ended June 30, 2014

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	<input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	<u>UMB Wholesale Bank (Sprint/Nextel)</u>		\$ <u>1,104.30</u>
	<u>AT&amp;T Mobility</u>		\$ <u>50,854.50</u>
			\$ _____
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)	\$ <u>181,492.82</u>
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)	\$ <u>547,930.27</u>
5b	Employee benefits	46-5-134(f)(1)(C)	\$ <u>255,246.44</u>
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ <u>6,008.22</u>
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)	\$ <u>5,108.07</u>
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, 2014

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)	\$ 92,956.33
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)	\$ 244,210.25
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)		\$ 1,387,311.20

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

For the Year Ended June 30, 2014

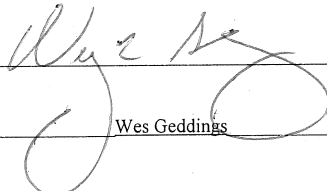
**Certification of Local Government Officials**

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 12/23/14

Print Name of Chief Elected Official Melvin Davis

Title of Chief Elected Official Chairman, Oconee County Board of Commissioners

Signature of Chief Financial Officer  Date 23 Dec 14

Print Name of Chief Financial Officer Wes Geddings