

**MACON COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**For the fiscal year ended**  
**June 30, 2009**

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**MACON COUNTY, GEORGIA  
ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2008**

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## **FINANCIAL SECTION**

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**BUTLER, WILLIAMS & WYCHE, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**915 HILL PARK**  
**MACON, GEORGIA 31201**

December 16, 2009

**INDEPENDENT AUDITORS REPORT**

**To the Board of County Commissioners**  
**of Macon County**  
**Oglethorpe, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia ("the County") as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health, which represents 42% of the assets and 87% of the revenues of the aggregated discretely presented component units and 1% of the total assets and 5% of the total revenues of the County's financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Macon County Department of Public Health, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia, as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages three through six is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Georgia's basic financial statements. The information listed in the table of contents as "supplemental information," including the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In the conduct of our audit, we verified and tested expenditures of the projects of Macon County, Georgia, which were identified in the resolution or ordinance calling for imposition of the special sales and use tax authorized by Section 48-8-110 OCGA. The accompanying schedule of projects undertaken with special sales tax proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Butler, Williams & Stycbe, LLP*

Macon, Georgia

**Macon County, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2009**

Our discussion and analysis of Macon County's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2009. Please read it in conjunction with the transmittal letter and the County's financial statements.

**Using This Annual Report**

This report consists of a series of financial statements. Macon County's basic financial statements are comprised of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. *Government-wide statements* provide information about the County as a whole and present a broad overview of County finances presented through a Statement of Net Assets and a Statement of Activities. *Fund financial statements* provide information that is more detailed than what is reported in the government-wide financial statements. The remaining *Notes to the financial statements* provide additional information concerning the County's finances that are not disclosed in the Government-wide or the Fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities and use accounting methods similar to those used by private-sector companies.

These two statements report the County's net assets and changes in them. One can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether the County's financial health is improving or deteriorating. Net assets are reported in three categories (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted. In the Statement of Activities, financial information on all revenues and expenses is reported, as is the change in net assets.

In the Statement of Net Assets and the Statement of Activities, we divide the County into the following three kinds of activities:

***Governmental activities*** - Most of the County's basic services are reported here, including public works, public safety, judicial, health, welfare, and general administration. Property taxes, fees, and court fines finance most of these activities.

***Business-type activities*** - The County's solid waste operations are reported here. These business-type activities were financed in whole, or in part, by user charges including landfill tipping fees. The only activity taking place in the business-type of activities of the County is post-closure care, since the County's landfill closed in 1997.

***Component units*** - The County includes two separate legal entities - the Development Authority of Macon County and the Macon County Department of Public Health in its financial statements. Although legally separate, these "component units" are important because the County is financially accountable for them.

**Macon County, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2009**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. Other funds are established by the Board of Commissioners to help it control and manage money for particular purposes or to show that the County is meeting legal responsibilities for using certain taxes, grants, and other money. All of Macon County's funds are divided into three categories - governmental, proprietary, and fiduciary.

**Governmental funds** - Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The governmental funds' statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the County's three major governmental funds namely, the General Fund and the Road Capital Project Fund and the Whitewater Park, Administrative Building and Infrastructure Capital Projects Fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds** - Macon County maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its closed solid waste operations. The proprietary fund's financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources. For the proprietary fund, a statement of net assets; a statement of revenues, expenses, and changes in fund net assets; and a statement of cash flows are presented. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Specifically, the County's proprietary fund financial statements provide information for the solid waste operations, which is considered a major fund.

**Fiduciary funds** - Macon County is the trustee, or fiduciary, for numerous resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support Macon County's own programs. It is the County's responsibility to ensure that the resources reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is similar to that used for proprietary funds. A statement of fiduciary net assets is presented for the County's agency funds.

**Notes to the Financial Statements**- In addition to the government-wide and fund financial statements, this report also provides various types of supplementary information in the notes to the financial statements. These notes provide additional information essential to a full understanding of the basic financial statements. Other required supplementary information, including information about the accounting practices of the County, investments of the County, and the pension plan are some of the items included in the notes to the financial statements.



**Macon County, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2009**

**Fund Financial Information**

**Major Governmental Funds**

**General Fund** – The central operating fund for Macon County, the General Fund, is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances or other externally imposed requirements. At the end of Fiscal Year 2009, total assets were \$4.4 million and total liabilities were \$0.4 million. The ending fund balance of \$4.0 million represents 68% of expenditures and transfers for the year. The ending fund balance is undesignated. In assessing the County's financial health, undesignated fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year. Total revenues and other sources for Fiscal Year 2009, \$5.741 million, were less than the total expenditures of \$5.976 million.

During Fiscal Year 2009, General Fund Revenues for the year, \$5.699 million, were less than budget by 1.79 percent. Taxes comprised 81% of the General Fund's revenue stream in Fiscal Year 2009. Total General Fund Expenditures for Fiscal Year 2009 were \$5.975 million, 93% of the final amended budget. Expenditures for all of the General Fund's departments were less than budget due to savings managed by each department within its operating budget.

**Whitewater Park, Administrative Building, and Infrastructure Capital Projects Fund** – Is a major capital projects fund used to account for the use of Special Purpose Local Option Sales Tax proceeds. Revenues for the Fiscal Year 2009 were \$0.014 million and expenditures were \$0.88 million resulting in a remaining fund balance of \$1.35 million.

**2006 Capital Projects Fund**- Is another major capital projects fund used to account for the use of Special Purpose Local Option Sales Tax proceeds collected for the purpose of maintaining and improving the County's road network, to construct two fire stations, make improvements to the Macon County Jail, Whitewater Creek Park and Recreation Department. Revenues for Fiscal Year 2009 were \$1.26 million and expenditures were \$0.79 million leaving a remaining fund balance of \$2.05 million.

**Major Proprietary Funds**

**Landfill Enterprise Fund** - This fund is the County's only Proprietary Fund and is used to account for the sanitary landfill in compliance with state and federal requirements. The landfill has been closed since June 1997. Post-closure costs were reevaluated in Fiscal Year 2008. As a result of the reevaluation, post-closure care costs decreased. Total assets were \$.8 million and total liabilities were \$.7 million at the end of Fiscal Year 2009. There was no Operating Income and the only Operating Expenses consisted of \$22,214 of post-closure costs. Interest revenue constituted the only revenue of the fund.

**Capital Assets and Debt Administration**

**Capital Assets** - In Fiscal Year 2009, investments in capital assets for governmental activities increased \$0.8 million, (net of accumulated depreciation). This represents a 9.81% increase over last year. At year end, the closed landfill no longer had capital assets. Governmental activities capital investment amounts to \$9.5 million. The County made expenditures for roads and road improvements during the year of \$1.03 million, primarily from funds collected in prior years from a Special Purpose Local Option Sales Tax (SPLOST).

**Debt Management** – Macon County remained totally debt free throughout all of FY 2009. The only long-term debts consist of compensated absences and post-closure care costs for the closed landfill. The combined long-term debt of the governmental and proprietary funds in Fiscal Year 2009 is \$0.8 million. For more information on the capital assets and long-term debt, please refer to the notes to the financial statements.

**Requests for Information**

This report is designed to provide a general overview of Macon County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Manager.

## **BASIC FINANCIAL STATEMENTS**

**MACON COUNTY, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current:			
Cash and cash equivalents	\$ 7,913,762	\$ 793,515	\$ 8,707,277
Accounts receivable (net)	7,108	-	7,108
Taxes receivable (net)	62,702	-	62,702
Loans receivable	77,834	-	77,834
Interest receivable	-	24,292	24,292
Internal balances	82,622	(82,622)	-
Due from other governments	<u>162,220</u>	<u>-</u>	<u>162,220</u>
Total current Assets	<u>8,306,248</u>	<u>735,185</u>	<u>9,041,433</u>
Noncurrent:			
Notes receivable	-	-	-
Capital assets (not subject to depreciation)	4,971,147	-	4,971,147
Capital assets (net of accumulated depreciation)	<u>4,532,856</u>	<u>-</u>	<u>4,532,856</u>
Total noncurrent assets	<u>9,504,003</u>	<u>-</u>	<u>9,504,003</u>
Total assets	<u>17,810,251</u>	<u>735,185</u>	<u>18,545,436</u>
<b><u>LIABILITIES</u></b>			
Current:			
Accounts payable	434,037	-	434,037
Accrued wages payable	21,170	-	21,170
Due to other governments	30,000	-	30,000
Deferred revenue	3,835	-	3,835
Noncurrent liabilities:			
Due within one year	36,592	13,836	50,428
Due in more than one year	<u>130,147</u>	<u>603,609</u>	<u>733,756</u>
Total liabilities	<u>655,781</u>	<u>617,445</u>	<u>1,273,226</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets	9,504,003	-	9,504,003
Unrestricted	<u>7,650,467</u>	<u>117,740</u>	<u>7,768,207</u>
Total net assets	<u>\$ 17,154,470</u>	<u>\$ 117,740</u>	<u>\$ 17,272,210</u>

The notes to the financial statements are an integral part of this statement.

**Component Units**

<u>Development Authority</u>	<u>Health Department</u>
\$ 28,823	\$ 106,844
411	-
-	-
-	-
-	-
-	15,506
<u>29,234</u>	<u>122,350</u>
31,720	-
50,524	-
63,587	2,375
<u>145,831</u>	<u>2,375</u>
<u>175,065</u>	<u>124,725</u>
7,981	1,751
106	-
425	9,256
-	-
5,768	-
8,981	32,329
<u>23,261</u>	<u>43,336</u>
114,111	2,375
<u>37,693</u>	<u>79,014</u>
<u>\$ 151,804</u>	<u>\$ 81,389</u>

**MACON COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

<b><u>FUNCTIONS/PROGRAMS</u></b>	<b><u>Expenses</u></b>	<b>Program Revenues</b>		
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Capital Grants and Contributions</u></b>
Primary government:				
Governmental activities:				
General government	\$ 1,339,982	\$ 323,491	\$ -	\$ -
Judicial	620,732	222,301	5,621	-
Public safety	1,604,518	76,312	6,369	49,121
Public works	1,453,541	144,358	-	-
Health and welfare	738,026	290,741	42,790	-
Housing and development	183,209	-	-	-
Culture and recreation	442,765	50,826	-	106,467
Intergovernmental	636,754	-	-	-
Total governmental activities	7,019,527	1,108,029	54,780	155,588
Business-type activities:				
Landfill	22,214	-	-	-
Total business-type activities	22,214	-	-	-
Total primary government	\$ 7,041,741	\$ 1,108,029	\$ 54,780	\$ 155,588
<b><u>COMPONENT UNITS</u></b>				
Development Authority	\$ 143,917	\$ 26,920	\$ 104,576	\$ -
Health Department	324,385	34,491	293,409	-
Total component units	\$ 468,302	\$ 61,411	\$ 397,985	\$ -

General revenues:  
  Property taxes  
  Sales taxes  
  Alcoholic beverage tax  
  Insurance premium tax  
  Franchise tax  
  Unrestricted investment earnings

Change in net assets  
Net assets - beginning, as restated

Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and  
Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
\$ (1,016,491)	\$ -	\$ (1,016,491)	\$ -	\$ -
(392,810)	-	(392,810)	-	-
(1,472,716)	-	(1,472,716)	-	-
(1,309,183)	-	(1,309,183)	-	-
(404,495)	-	(404,495)	-	-
(183,209)	-	(183,209)	-	-
(285,472)	-	(285,472)	-	-
(636,754)	-	(636,754)	-	-
<u>(5,701,130)</u>	<u>-</u>	<u>(5,701,130)</u>	<u>-</u>	<u>-</u>
-	(22,214)	(22,214)	-	-
-	(22,214)	(22,214)	-	-
<u>\$ (5,701,130)</u>	<u>\$ (22,214)</u>	<u>\$ (5,723,344)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (12,421)	\$ -
-	-	-	-	3,515
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,421)</u>	<u>\$ 3,515</u>
\$ 3,664,605	\$ -	\$ 3,664,605	\$ -	\$ -
1,778,172	-	1,778,172	-	-
44,896	-	44,896	-	-
349,150	-	349,150	-	-
188	-	188	-	-
51,497	27,705	79,202	913	-
<u>5,888,508</u>	<u>27,705</u>	<u>5,916,213</u>	<u>913</u>	<u>-</u>
187,378	5,491	192,869	(11,508)	3,515
<u>16,967,092</u>	<u>112,249</u>	<u>17,079,341</u>	<u>163,312</u>	<u>77,874</u>
<u>\$ 17,154,470</u>	<u>\$ 117,740</u>	<u>\$ 17,272,210</u>	<u>\$ 151,804</u>	<u>\$ 81,389</u>

**MACON COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2009**

	<u>General</u>	<u>Whitewater, Administration Building and Infrastructure Capital Project</u>	<u>2006 Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 4,134,472	\$ 1,461,325	\$ 2,044,279	\$ 273,686	\$ 7,913,762
Taxes receivable (net)	62,702	-	-	-	62,702
Accounts receivable (net)	7,108	-	-	-	7,108
Loans receivable	-	-	-	77,834	77,834
Due from other funds	245,420	48,986	95	1,730	296,231
Due from other governments	40,518	-	97,824	23,878	162,220
Total assets	<u>\$ 4,490,220</u>	<u>\$ 1,510,311</u>	<u>\$ 2,142,198</u>	<u>\$ 377,128</u>	<u>\$ 8,519,857</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts and contracts payable	\$ 390,079	\$ -	\$ 41,098	\$ 2,860	\$ 434,037
Accrued wages and payroll taxes payable	21,170	-	-	-	21,170
Due to other funds	106	162,727	48,986	1,790	213,609
Due to other governments	30,000	-	-	-	30,000
Deferred revenue	1,500	-	-	2,335	3,835
Total liabilities	<u>442,855</u>	<u>162,727</u>	<u>90,084</u>	<u>6,985</u>	<u>702,651</u>
<b><u>FUND BALANCES</u></b>					
Unreserved, reported in:					
General fund	4,047,365	-	-	-	4,047,365
Special revenue funds	-	-	-	370,143	370,143
Capital project funds	-	1,347,584	2,052,114	-	3,399,698
Total fund balances	<u>4,047,365</u>	<u>1,347,584</u>	<u>2,052,114</u>	<u>370,143</u>	<u>7,817,206</u>
Total liabilities and fund balances	<u>\$ 4,490,220</u>	<u>\$ 1,510,311</u>	<u>\$ 2,142,198</u>	<u>\$ 377,128</u>	<u>\$ 8,519,857</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

Total fund balances for governmental funds		\$ 7,817,206
Total net assets for governmental activities in the Statement of Net Assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,504,003
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.		<u>(166,739)</u>
Compensated absences	\$	<u>166,739</u>
Total long-term liabilities	\$	<u>166,739</u>
Total net assets of governmental activities		<u>\$ 17,154,470</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Whitewater, Administration Building and Infrastructure Capital Project</u>	<u>2006 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>					
Taxes	\$ 4,628,541	\$ -	\$ 1,253,642	\$ -	\$ 5,882,183
Licenses and permits	53,428	-	-	-	53,428
Intergovernmental	62,510	-	-	149,257	211,767
Charges for services	758,188	-	-	34,056	792,244
Fines and forfeitures	107,306	-	-	44,082	151,388
Investment income	24,925	14,049	11,314	1,209	51,497
Miscellaneous	64,398	-	-	-	64,398
Total revenues	<u>5,699,296</u>	<u>14,049</u>	<u>1,264,956</u>	<u>228,604</u>	<u>7,206,905</u>
<b><u>EXPENDITURES</u></b>					
Current:					
General government	1,307,992	-	-	-	1,307,992
Judicial	619,286	-	-	5,519	624,805
Public safety	1,569,998	-	1,789	-	1,571,787
Public works	1,380,226	-	-	-	1,380,226
Health and welfare	617,908	-	-	97,666	715,574
Conservation and development	179,977	-	-	106,467	286,444
Culture and recreation	300,535	-	-	-	300,535
Intergovernmental	-	-	636,754	-	636,754
Capital outlay:					
Public safety	-	-	60,683	-	60,683
Highways and streets	-	884,183	81,065	-	965,248
Culture and recreation	-	-	12,500	-	12,500
Total expenditures	<u>5,975,922</u>	<u>884,183</u>	<u>792,791</u>	<u>209,652</u>	<u>7,862,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(276,626)</u>	<u>(870,134)</u>	<u>472,165</u>	<u>18,952</u>	<u>(655,643)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	70,000	-	-	28,532	98,532
Transfers out	<u>(28,532)</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>(98,532)</u>
Total other financing sources (uses)	<u>41,468</u>	<u>-</u>	<u>-</u>	<u>(41,468)</u>	<u>-</u>
Net change in fund balance	(235,158)	(870,134)	472,165	(22,516)	(655,643)
Fund balance - beginning of year	<u>4,305,390</u>	<u>2,217,718</u>	<u>1,579,949</u>	<u>392,659</u>	<u>8,495,716</u>
Prior Period Adjustment	<u>(22,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,867)</u>
Fund balance - end of year	<u>\$ 4,047,365</u>	<u>\$ 1,347,584</u>	<u>\$ 2,052,114</u>	<u>\$ 370,143</u>	<u>\$ 7,817,206</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Net change in fund balance - total governmental funds \$ (655,643)

Total change in net assets 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 is reported as depreciation expense. This is the amount by which capital outlays (\$1,144,381) exceeded depreciation (\$295,066) in the current period. 849,315

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. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Compensated absences (6,294)

Change in net assets of governmental activities \$ 187,378

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes	\$ 4,662,720	\$ 4,674,720	\$ 4,628,541	\$ (46,179)
Licenses and permits	49,000	59,000	53,428	(5,572)
Intergovernmental	580	49,701	62,510	12,809
Charges for services	714,700	734,028	758,188	24,160
Fines and forfeitures	98,000	98,000	107,306	9,306
Investment income	125,000	125,000	24,925	(100,075)
Miscellaneous	62,848	62,848	64,398	1,550
Total revenues	<u>5,712,848</u>	<u>5,803,297</u>	<u>5,699,296</u>	<u>(104,001)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government:				
County commissioners	800,517	704,682	702,359	(2,323)
Board of elections	91,249	96,734	92,023	(4,711)
Tax commissioner	164,727	164,727	155,724	(9,003)
Tax assessor	248,957	238,407	224,923	(13,484)
Public buildings	101,677	115,727	115,647	(80)
Other general government	18,450	17,350	17,316	(34)
Total general government	<u>1,425,577</u>	<u>1,337,627</u>	<u>1,307,992</u>	<u>(29,635)</u>
Judicial:				
Superior court	67,060	72,060	46,028	(26,032)
Clerk of superior court	175,399	175,399	155,875	(19,524)
Magistrate court	130,388	130,388	127,816	(2,572)
Probate court	142,539	142,539	139,854	(2,685)
Juvenile court	24,034	34,534	26,330	(8,204)
District attorney and legal services	148,860	164,860	123,383	(41,477)
Total judicial	<u>688,280</u>	<u>719,780</u>	<u>619,286</u>	<u>(100,494)</u>

(continued)

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>EXPENDITURES (continued)</u></b>				
Current (continued):				
Public safety:				
Sheriff	754,532	778,775	775,042	(3,733)
Fire	35,600	86,821	82,844	(3,977)
Jail	603,652	616,472	589,789	(26,683)
E911	57,356	55,206	55,166	(40)
Civil defense	26,076	26,076	20,554	(5,522)
Coroner	30,615	51,675	46,603	(5,072)
Total public safety	<u>1,507,831</u>	<u>1,615,025</u>	<u>1,569,998</u>	<u>(45,027)</u>
Public works:				
Highways and streets	1,143,005	1,183,950	1,029,444	(154,506)
Waste collection	290,000	300,000	275,977	(24,023)
Middle Georgia Regional Solid Waste Management Authority	18,757	18,757	10,203	(8,554)
Motor vehicle maintenance	66,250	67,850	64,602	(3,248)
Total public works	<u>1,518,012</u>	<u>1,570,557</u>	<u>1,380,226</u>	<u>(190,331)</u>
Health and welfare:				
Physical health	94,717	95,117	95,087	(30)
Ambulance service	487,834	488,534	463,880	(24,654)
DFACS	11,760	5,880	4,410	(1,470)
Literacy Council	37,224	39,554	39,531	(23)
Middle Flint Council on Aging	15,000	15,000	15,000	-
Total health and welfare	<u>646,535</u>	<u>644,085</u>	<u>617,908</u>	<u>(26,177)</u>
Culture and recreation:				
Recreation	267,914	270,849	220,135	(50,714)
Whitewater Creek Park	85,683	85,683	79,800	(5,883)
Library	600	600	600	-
Total culture and recreation	<u>354,197</u>	<u>357,132</u>	<u>300,535</u>	<u>(56,597)</u>
Conservation and development:				
County agent	65,982	63,282	57,010	(6,272)
Georgia Forestry Commission	6,265	6,265	6,265	-
Planning and zoning	8,600	8,600	1,167	(7,433)
Building inspection	49,420	37,040	35,006	(2,034)
Flint River Farms School Preservation Society	-	-	-	-
Total housing and development	<u>130,267</u>	<u>115,187</u>	<u>99,448</u>	<u>(15,739)</u>
Economic development:				
Middle Flint RDC	8,777	8,777	8,777	-
Development Authority	70,000	71,755	71,752	(3)
Total economic development	<u>78,777</u>	<u>80,532</u>	<u>80,529</u>	<u>(3)</u>

(continued)

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Over (Under)</b>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<b><u>EXPENDITURES (continued)</u></b>				
Current (continued):				
Total expenditures	<u>6,349,476</u>	<u>6,439,925</u>	<u>5,975,922</u>	<u>(464,003)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(636,628)</u>	<u>(636,628)</u>	<u>(276,626)</u>	<u>360,002</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	70,000	70,000	70,000	-
Transfers out	<u>(41,488)</u>	<u>(41,488)</u>	<u>(28,532)</u>	<u>(12,956)</u>
Total other financing sources (uses)	<u>28,512</u>	<u>28,512</u>	<u>41,468</u>	<u>(12,956)</u>
Net change in fund balance	(608,116)	(608,116)	(235,158)	347,046
Fund balance - beginning of year	<u>4,305,390</u>	<u>4,305,390</u>	<u>4,305,390</u>	-
Prior Period Adjustment			<u>(22,867)</u>	
Fund balance - end of year	<u>\$ 3,697,274</u>	<u>\$ 3,697,274</u>	<u>\$ 4,047,365</u>	<u>\$ 347,046</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2009**

	<b><u>Solid Waste Disposal Fund</u></b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 793,515
Interest receivable	<u>24,292</u>
Total current assets	<u>817,807</u>
Total assets	<u><u>\$ 817,807</u></u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Due to other funds	\$ <u>82,622</u>
Total current liabilities	<u>82,622</u>
Long-term liabilities:	
Accrued closure / post-closure costs	<u>617,445</u>
Total liabilities	<u>700,067</u>
 <b><u>NET ASSETS</u></b>	
Unrestricted	<u>117,740</u>
Total net assets	<u>117,740</u>
Total liabilities and net assets	<u><u>\$ 817,807</u></u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
 JUNE 30, 2009**

	<b><u>Solid Waste Disposal Fund</u></b>
<b><u>OPERATING REVENUES</u></b>	
Landfill charges	\$ _____ -
Total operating revenues	_____ -
<b><u>OPERATING EXPENSES</u></b>	
Post-closure care cost, net	_____ 22,214
Total operating expenses	_____ 22,214
Operating income	_____ (22,214)
<b><u>NONOPERATING REVENUES</u></b>	
Interest revenue	_____ 27,705
Total non-operating revenues	_____ 27,705
Changes in net assets	5,491
Net assets - beginning	_____ 112,249
Net assets - ending	<b>\$ _____ 117,740</b>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 JUNE 30, 2009**

	<b>Solid Waste Disposal Fund</b>
Cash flows from operating activities:	
Cash payments to suppliers for services	\$ (33,477)
Net cash required for operating activities	<u>(33,477)</u>
Cash flows from noncapital financing activities:	
Increase in due to other funds	<u>35,846</u>
Net cash required for noncapital financing activities	<u>35,846</u>
Cash flows from investing activities:	
Interest received on investments	<u>3,413</u>
Net cash provided by investing activities	<u>3,413</u>
Net increase in cash and cash equivalents	5,782
Cash and cash equivalents at beginning of year	<u>787,733</u>
Cash and cash equivalents at end of year	<u>\$ 793,515</u>
Reconciliation of operating income to net cash required by operating activities:	
Operating income	\$ (22,214)
Change in post-closure care cost estimate net of cash costs incurred	<u>(11,263)</u>
Net cash (required for) operating activities	<u>\$ (33,477)</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 JUNE 30, 2009**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 525,522
Loans receivable	-
Total assets	<u>\$ 525,522</u>
<b><u>LIABILITIES</u></b>	
Due to other taxing units	\$ 396,608
Due to state	11,372
Retirement payable	1,544
Restitution payable	11,557
Funds held in escrow	88,252
Other	16,189
Total liabilities	<u>\$ 525,522</u>

The notes to the financial statements are an integral part of this statement.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

The financial statements of Macon County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. The most significant of the County's accounting policies are described below.

**A. The Reporting Entity.**

Macon County is a political subdivision of the State of Georgia. The County is governed by an elected board of five County Commissioners, which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, and the Clerk of Superior Court. Only the cost of operations, for which the County is responsible, is reported in the County's financial statements.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented." When blended, the component units are reported as if they were a fund of the County throughout the year. Component units are included at both the government-wide and the fund financial reporting levels.

The component unit column included on the government-wide financial statements identifies the financial data of the County's discretely presented component unit. These component units are reported separately to emphasize that they are legally separate from the County. A brief description of the discretely presented component units follows:

*Development Authority of Macon County* (the "Authority") - The members of the governing board of the Authority are appointed by the Board of Commissioners of Macon County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. All amounts shown in the financial statements for the Authority are for the fiscal year ended June 30, 2009. Complete financial statements for the Authority may be obtained at the Authority's administration office in Montezuma, Georgia.

*The Macon County Department of Public Health* (the "Health Department") - The Health Department has a governing board consisting of seven members. Six of the members are either County officials or members appointed by the County. The remaining member is appointed by the City of Montezuma. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. The Health Department is presented as a governmental fund type. Complete financial statements for the Health Department may be obtained at the Department's administrative office in Oglethorpe, Georgia.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

**B. Basis of Presentation.**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financials statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements.**

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. The primary government and the discretely presented component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double counting of internal activities. Individual funds are not displayed. These statements distinguish between the governmental and business-type activities of the County. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other nonexchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In the government-wide Statement of Net Assets, both the governmental and business-type activities' columns are presented on a consolidated basis, by column. They are reflected on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts - invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets.

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. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. To identify which functional program a revenue pertains to, the determining factor for *charges for services* is that function which *generates* the revenue; and for *grants and contributions*, the determining factor is that function to which the revenue is restricted. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements.**

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. The emphasis of fund financial statements are on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following three funds are the County's major governmental funds:

The General Fund 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.

The Whitewater Park, Administrative Building and Infrastructure Capital Projects Fund is used to account for the costs associated with improvements to the Whitewater Creek Park, improvements to the County's administrative building and improvements to the County's roads, streets, drainage and bridges. These improvements are financed by a special one percent sales tax.

The 2006 Capital Projects Fund is used to account for the costs associated with improvements to the County's jail, roads, streets, drainage and bridges, Whitewater Creek Park and Recreation Complex and the construction and equipping of two fire stations within the County. These improvements are financed by a special one percent sales tax.

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The County has one proprietary fund, the Solid Waste Disposal Enterprise Fund which accounts for the costs related to the now closed Macon County Landfill. Since this is the County's only proprietary fund, it is by definition reported as a major fund. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from transactions not associated with the principal activity of the fund.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or other funds. The Flood Disaster Loan Fund was established to account for a Community Development Block Grant from the Georgia Department of Community Affairs to be used for the Flood Disaster Business Loan Recovery Program.

The agency funds account for the assets held by the County in a trustee capacity as an agent for individuals, other governmental units and/or other funds.

**Governmental Funds.**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available". "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, which are recognized when all eligibility requirements have been met.

Expenditures generally are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all susceptible to accrual and are recognized as revenue in the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. When both restricted and unrestricted resources are available for use, it is generally the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County uses the following governmental fund types:

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

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Proprietary Funds.**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. 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 business. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector.

**C. Basis of Accounting.**

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions.**

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

**Revenues – Non-exchange Transactions.**

Non-exchange transactions, in which the County received value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenues from property taxes are recognized in the fiscal year the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e. collected within 30 days for sales taxes and within 60 days for all other revenues) before it can be recognized.

**Basis of Accounting - Health Department - Component Unit.**

The accounting policies of the Macon County Health Department conform to generally accepted accounting principles as applicable to governmental units. The Health Department is governed by the Macon County Board of Health. The government-wide financial statements report information on all of the non-fiduciary activities of the department. The Health Department recognizes direct expenses. Direct expenses are those that are clearly identifiable with a specific function or segment. The direct expenses are offset by program revenues. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Health Department reports the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**D. Assets, Liabilities and Equity.**

**1. Cash and Investments.**

Cash includes cash on hand, amounts in demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, certificates of deposit, repurchase agreements and money market accounts. Investments are reported at fair value.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

**2. Receivables.**

Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1<sup>st</sup>, and the taxes are due December 20<sup>th</sup> each year. The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billing date or December 20<sup>th</sup>, whichever is later, at which time the applicable property is subject to a lien, and penalties and interest are assessed. The tax levy was set on September 11, 2008.

All trade and property tax receivables are shown net of an allowance for uncollectibles. All balances reported as "due to/due from other funds" represent amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year-end.

**3. Interfund Balances.**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of assets, except for any net residual amounts due between aggregate governmental and business-type activities, which are reclassified and presented as internal balances.

**4. Inventory and Prepaid Items.**

The costs of other governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which the corresponding services are consumed. At the fund accounting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

**5. Capital Assets.**

General capital assets are those not specifically related to activities reported in the proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of infrastructure assets that were acquired or received substantial improvements prior to the fiscal year 2004 are not required to be, but may be capitalized. Pursuant to GASB Statement No. 34, the County is not required to report major general infrastructure assets retroactively but will report major general infrastructure beginning June 30, 2003. The County uses a capitalization threshold of \$5,000 per unit for all capital assets. The cost of normal maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Depreciation of all exhaustible capital assets is charged as an expense against operations. Capital assets are recorded on the balance sheet net of accumulated depreciation. Depreciation has been provided over the estimated useful lives of capital assets using the straight-line method.

The estimated useful lives of capital assets are as follows:

<u>Asset Type</u>	<u>Useful Lives</u>
Plant and Buildings	25-50 Years
Land Improvements	15-30 Years
Infrastructure	15-30 Years
Vehicles and Equipment	3-20 Years

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

**6. Claims and Judgments.**

Liabilities for claims and judgments against the County, including estimated liabilities for claims incurred but not reported at year-end, have been accrued in the appropriate funds. Liabilities for compensated absences have been accrued in the government-wide and proprietary fund financial statements and are all considered long-term obligations of the County. A liability for these amounts is reported in the governmental funds only if they have matured.

**7. Compensated Absences.**

Vacation benefits are accrued as a liability as the benefits are earned, if the employee's rights to receive compensation are attributable to services rendered and it is probable that the County will compensate the employee for the benefits through paid time off or through other means. All compensated absence liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund no longer has compensated absences. Governmental funds report compensated absence liability at the fund reporting level "when due".

**8. Fund Equity.**

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting purposes is classified as "net assets".

Fund balance - Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of the fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific purposes.

Net assets - Net assets represent the difference between total assets and total liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount is also adjusted by any bond issuance deferral amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net assets are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**9. Interfund Activity.**

Exchange transactions between two funds are reported as revenues in the seller fund and as expenditures/expenses in the purchaser fund. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e. they are netted).

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).**

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

**10. Management Estimates.**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting year. Actual results could differ from those estimates.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY.**

**A. Budgets and Budgetary Accounting.**

An operating budget is legally adopted each fiscal year for all governmental funds except capital project funds. Capital project funds use project-length budgets. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's general fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All final budget amounts presented in the accompanying financial statements and supplementary data have been adjusted for legally authorized revisions of the annual budget during the year. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level. All unexpended appropriations provided in the annual budget lapse at year-end. The annual budget cycle begins in March of the preceding year when budget workbooks are distributed to each department. The Board advertises and conducts public hearings on the proposed budget in adherence to local ordinance and state law and adopts a final budget by June 1<sup>st</sup>.

**B. Encumbrances.**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County. Encumbrances are not recognized as expenditures until the period in which the actual goods or services are received and the liability is incurred.

**III. DETAILED NOTES ON ALL FUNDS.**

**A. Cash.**

Primary Government.

*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 limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2009, the County's bank balances are entirely insured or collateralized with securities held by the County's agent in the County's name.

**MACON COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**III. DETAILED NOTES ON ALL FUNDS (Continued).**

Development Authority – Component Unit

The Authority’s bank balances as of June 30, 2009 are entirely insured or collateralized with securities held by the Authority’s agent in the Authority’s name.

Health Department – Component Unit

In the case of deposits, this is the risk that in the event of the failure of a depository financial institution, the Health Department will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Health department does not have a deposit policy for custodial credit risk. As of June 30, 2009, the Health Department’s cash deposits were entirely covered by federal depository insurance or collateralized by securities held by the Health Department’s custodial bank in the Health Department’s name.

**B. Receivables.**

Receivables at June 30, 2009 consist of the following: taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants. Receivables and payables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining the existence, completeness, valuation and in the case of receivables, collectibility.

Property taxes levied are recorded as receivables, net of estimated uncollectibles, and recognized as revenue when due. The levy is made on assessed valuations as of January 1<sup>st</sup> and the taxes are due on December 20<sup>th</sup>. The levy was made on September 11, 2008. Tax bills are mailed at least 60 days prior to the due date. Tax bills are considered past due 60 days after the billing date or December 20<sup>th</sup>, whichever is later, at which time the applicable property is subject to lien and penalties and interest are assessed.

**C. Interfund Receivables and Payables.**

Interfund receivable and payable balances at June 30, 2009 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 245,420	\$ 106
SPLOST Capital Project	95	48,986
Whitewater, Administration Building, Infrastructure	48,986	162,627
Non-major governmental funds	1,730	1,790
Solid Waste Disposal	-	82,622
	<u>\$ 296,231</u>	<u>\$ 296,231</u>

The interfund balances resulted from the normal course of operations and are expected to be repaid within one year.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**III. DETAILED NOTES ON ALL FUNDS (Continued).**

**D. Capital Assets.**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Capital</u> <u>Acquisitions</u>	<u>Sales</u> <u>or Other</u> <u>Dispositions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Accumulated</u> <u>Depreciation</u> <u>June 30, 2009</u>	<u>Book</u> <u>Value</u> <u>June 30, 2009</u>
<b>Governmental activities</b>						
Not depreciable:						
Land	\$ 335,338	\$ -	\$ -	\$ 335,338	\$ -	\$ 335,338
Construction in progress	3,597,378	1,038,431	-	4,635,809	-	4,635,809
Depreciated:						
Buildings	5,867,143	-	-	5,867,143	2,013,224	3,853,919
Improvements	309,836	-	-	309,836	220,782	89,054
Machinery & equipment	2,640,708	105,950	-	2,746,658	2,156,775	589,883
Totals	<u>\$ 12,750,403</u>	<u>\$ 1,144,381</u>	<u>\$ -</u>	<u>\$ 13,894,784</u>	<u>\$ 4,390,781</u>	<u>\$ 9,504,003</u>

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Accumulated depreciation</b>				
Buildings	\$ 1,888,502	\$ 124,722	\$ -	\$ 2,013,224
Improvements	219,570	9,930	-	220,782
Machinery & equipment	1,996,361	160,414	-	2,156,775
Totals	<u>\$ 4,095,715</u>	<u>\$ 295,066</u>	<u>\$ -</u>	<u>\$ 4,390,781</u>

**E. Depreciation expense was charged to functions/programs of the primary government as follows:**

Governmental activities:	
General government	\$ 38,757
Judicial	3,559
Public safety	125,437
Public works	72,114
Health and welfare	16,616
Culture and recreation	35,353
Housing and development	3,231
Total depreciation expense – governmental activities	<u>\$ 295,066</u>

**MACON COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**III. DETAILED NOTES ON ALL FUNDS (Continued).**

**F. Capital Assets - Development Authority of Macon County - Component Unit.**

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2009:

	<u>Balance July 1, 2008</u>	<u>Capital Acquisitions</u>	<u>Sales or Other Dispositions</u>	<u>Balance June 30, 2009</u>	<u>Accumulated Depreciation June 30, 2009</u>	<u>Book Value June 30, 2009</u>
<b>Nondepreciable</b>						
Land	\$ 50,524	\$ -	\$ -	\$ 50,524	\$ -	\$ 50,524
Construction in Progress	-	-	-	-	-	-
Total Non-depreciable	<u>\$ 50,524</u>	<u>\$ -</u>	<u>\$ -2</u>	<u>\$ 50,524</u>	<u>\$ -</u>	<u>\$ 50,524</u>
<b>Depreciable</b>						
Building	\$ -	\$ -	\$ -	\$ 88,662	\$ 88,662	\$ -
Improvements other than buildings	70,652	-	-	70,652	7,065	63,587
Total Capital Assets	<u>\$ 21,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,838</u>	<u>\$ 95,727</u>	<u>\$ 114,111</u>
<b>Accumulated Depreciation</b>						
	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>		
Accumulated Depreciation	<u>\$ 88,662</u>	<u>\$ 7,065</u>	<u>\$ -</u>	<u>\$ 95,727</u>		

**G. Capital Assets - Macon County Department of Public Health - Component Unit.**

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2009:

	<u>Balance July 1, 2008</u>	<u>Capital Acquisitions</u>	<u>Sales or Other Dispositions</u>	<u>Balance June 30, 2009</u>	<u>Accumulated Depreciation June 30, 2009</u>	<u>Balance June 30, 2009</u>
Machinery & Equipment	\$ 32,416	\$ -	\$ 6,700	\$ 25,716	\$ 23,341	\$ 2,375
Total	<u>\$ 32,416</u>	<u>\$ -</u>	<u>\$ 6,700</u>	<u>\$ 25,716</u>	<u>\$ 23,341</u>	<u>\$ 2,375</u>
<b>Accumulated Depreciation</b>						
	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>		
Accumulated Depreciation	<u>\$ 29,304</u>	<u>\$ 737</u>	<u>\$ 6,700</u>	<u>\$ 23,341</u>		

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**III. DETAILED NOTES ON ALL FUNDS (Continued).**

**H. Notes Receivable - Development Authority of Macon County - Component Unit.**

The Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. In FY 2005 the Authority loaned \$50,000 to a local business with a maturity of 7 years and an interest rate of 4.00%. At June 30, 2009, the remaining balance due was \$31,720.

**I. Long-term Obligations.**

During the year ended June 30, 2009 the following changes occurred in the long-term obligations:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities</u></b>					
Accrued Annual Leave	\$ 160,451	\$ 41,183	\$ 34,895	\$ 166,739	\$ 36,592
Total Governmental Activities	<u>\$ 160,451</u>	<u>\$ 41,183</u>	<u>\$ 34,895</u>	<u>\$ 166,739</u>	<u>\$ 36,592</u>
<b><u>Business-type Activities</u></b>					
Post-closure Care Costs	\$ 631,077	\$ -	\$ 13,632	\$ 617,445	\$ 13,836
Total Business-type Activities	<u>\$ 631,077</u>	<u>\$ -</u>	<u>\$ 13,632</u>	<u>\$ 617,445</u>	<u>\$ 13,836</u>

The accrued annual leave is liquidated by the general fund only.

**J. Long-term Obligations, Development Authority of Macon County - Component Unit.**

In October 2004 the Georgia Department of Community Affairs awarded an EIP grant to the City of Montezuma for the purpose of improving and expanding a rail spur for the benefit of ICT. However, the grant amount did not cover the entire cost of the expansion and improvements that ICT requested leaving a shortfall between the cost of the expansion and improvement contract and the EIP grant. The City of Montezuma and the Development Authority along with ICT agreed to fund, in unequal portions, that portion of the contract not covered by the EIP grant. The Development Authority's portion of this shortfall was \$68,859. In July 2006, the Authority agreed to fund their agreed upon portion of the shortfall. In April 2007, the Authority obtained a loan from a local bank in the amount of \$25,100 to assist in the payment of this debt. Maturity of the loan was 5 years with a variable interest rate. At June 30, 2009 the current interest rate was 3.25%. Monthly payments of \$513.48 began in July 2007.

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	5,768	394	6,162
2011	5,958	204	6,162
2012	3,023	29	3,052
Total	<u>\$ 14,749</u>	<u>\$ 627</u>	<u>\$ 15,376</u>

**MACON COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**III. DETAILED NOTES ON ALL FUNDS (Continued).**

Changes in Long-term Obligations.

During the year ended June 30, 2009, the following changes occurred in the long-term liabilities:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Notes Payable	\$ 20,194	\$ -	\$ 5,445	\$ 14,749

The Authority has various notes, bonds, and agreements outstanding, used for the purpose of developing and expanding industry and trade in Macon County, which do not constitute assets, debts, or general obligations of Macon County or the Development Authority of Macon County and, therefore, are not included in its financial statements.

**K. Long-term Obligations, Health Department - Component Unit.**

During the year ended June 30, 2009, the following changes occurred in the long-term obligations of the Health Department:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental Activities				
Notes Payable	\$ 35,032	\$ -	\$ 2,703	\$ 32,329

This liability is anticipated to be paid with operating revenues.

**L. Interfund Transfers.**

Interfund transfers for the year ended June 30, 2009 consisted of the following:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Amount</u> <u>transferred</u>
Non-major governmental funds	General Fund	\$ 70,000
General Fund	Non-major governmental funds	28,532
Total Transfers		<u>\$ 98,532</u>

The purpose of these transfers was to transfer financial resources from the Jail Fines Fund to the General Fund to pay for jail operations and a transfer from the General Fund to cover the operating deficit of the Transit System.

**M. Prior Period Adjustments.**

The following changes have been made to the beginning balance of the General Fund and the Governmental Funds as summarized and described below:

	<u>General</u> <u>Fund</u>	<u>Governmental</u> <u>Activities</u>
Beginning balance, fund balance or net assets previously reported:	\$ 4,305,392	\$ 16,989,959
Prior period adjustment for amount recorded as revenue in FY 2008	(22,867)	(22,867)
Beginning balance, fund balance or net assets, as restated	<u>\$ 4,282,525</u>	<u>\$ 16,967,092</u>

The fund balance and net assets of the General Fund and Governmental Activities were decreased \$22,867 to correct for amounts due to the clerk of courts incorrectly reported as revenue in the FY 2008 audit.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**IV. OTHER INFORMATION**

**A. Post-closure Care Cost.**

State and federal laws and regulations require that Macon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. An expense provision and related liability has been recognized based on the future post-closure care cost that will be incurred after the date the landfill no longer accepted waste, which was June 30, 1997. The estimated liability for landfill post-closure care cost is \$617,445 as of June 30, 2009. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities and services required to monitor and to maintain the landfill were acquired as of June 30, 2009. However, the actual cost of post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

**B. Pension Plan.**

Macon County contributes to a deposit administration group annuity contract with Southern Farm Bureau, which is a defined contribution single-employer plan. The defined contribution pension plan provides pension benefits in return for services rendered and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual receives. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments on those contributions. In order to be eligible for the plan, the employee must be employed with the County for two years and attain the age of twenty-one. The employee's contributions vest 100% upon entering the plan. All contributions are paid entirely by the County. 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. The plan was modified in fiscal year 2006 to allow for directed investments and to allow for the purchase of life insurance at the option of the employee. The authority for the plan, benefits, vesting and contributions is established by the Board of Commissioners. During the plan year, the County's required and actual contributions amounted to \$116,518, which was 6.1% of the covered payroll of \$1,901,970. The County's total payroll was \$2,706,521. The contributions are invested into annuity and life insurance products. Employees are given the option of contributing the funds, 51% to annuities and 49% percent to life insurance or 100% to annuities.

<u>Fiscal Year</u>	<u>Annual Contributions</u>
2007	\$ 109,770
2008	126,716
2009	116,518

The annuities are purchased in the employee's name and therefore do not represent an asset or liability of the County. No pension provision changes occurred during the year that affected the required contributions to be made by the County or its employees. The plan held no securities of the County or other related parties at any time during the fiscal year.

**C. Post-Employment Benefits.**

The County provides certain life insurance benefits for retired employees. Substantially all employees may receive these benefits if they reach normal retirement age while working for the County. At June 30, 2009, 61 participants were eligible to receive benefits. The accounting and funding policies followed by the County are on a pay-as-you-go basis. For 2009, the cost of life insurance benefits was \$16,620.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**IV. OTHER INFORMATION (Continued).**

**D. Contingent Liabilities.**

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies to their representatives. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time although the County expects such amounts, if any, to be immaterial. According to the County Attorney, there are no outstanding claims in which it is anticipated that adverse action would result in material financial liability against the County.

**E. Joint Ventures.**

The Middle Georgia Regional Solid Waste Management Authority.

The Middle Georgia Regional Solid Waste Management Authority was activated by the Board of Commissioners of Peach County, Macon County and Dooly County on August 30, 1993, under the provisions of the Regional Solid Waste Management Authority Act (Ga. Laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors. There are seven directors, with two directors representing each County and one director appointed by the directors themselves. The Authority is designed to research, study and plan for the solid waste management needs of the participating counties and to gather data and research for all phases of the solid waste management needs of the counties. The Authority does not have the power to borrow money, issue bonds or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations.

The total cost of the operation of the C&D cell and transfer station is funded from revenue received from tipping fees. Separate financial statements for the Middle Georgia Regional Solid Waste Management Authority can be obtained from the Middle Georgia Regional Solid Waste Management Authority's offices in Oglethorpe, Georgia.

River Valley Regional Commission.

Macon County, in conjunction with other counties, participates in the River Valley Regional Commission (Commission). Membership in the Commission is required by Code of Georgia Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each County and municipality of the area. Georgia law also provides that the member governments are liable for any debts or obligations of the Commission beyond its resources. Separate financial statements for the River Valley Regional Commission can be obtained from the Commission's offices in Americus, Georgia.

**F. Risk Management.**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the County carries commercial insurance. The County carries commercial insurance for coverage of property, errors and omissions and professional liability. The County is also exposed to risk of loss related to injury of employees. Worker's compensation coverage is obtained by the County's participation in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, "the Fund". Under this plan, the County is required to make annual contributions to the Fund. The Fund is responsible for the payment of all claims. After the County's payroll is audited for the year, the County may be required to make additional payments or they may receive a refund.

**MACON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**IV. OTHER INFORMATION (Continued).**

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may, at any time, be instituted against them on account of injuries or death within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands are wholly groundless, false or fraudulent. The Fund is to pay all costs assessed to its 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.

Settlement claims have not exceeded commercial coverage in any of the past three fiscal years.

**G. Subsequent Event**

The County entered into an intergovernmental agreement with the Municipalities of Montezuma, Ideal, Marshallville and Oglethorpe on November 19, 2009. The purpose of the agreement: The County and Montezuma desire for the County to make, on behalf of Montezuma, payments due under a Georgia Environmental Facilities Authority ("GEFA") Note for a limited period of time, all subject to the terms and conditions of the Agreement. The County and Montezuma intend for the County to be reimbursed for such payments out of the proceeds of a SPLOST planned to commence in 2010 or by Montezuma. The other Municipalities also desire this Agreement. The GEFA Contract was obtained by Montezuma in 1992 for the purpose of financing a portion of a sewer system to serve residential and business properties within the boundaries of Montezuma. Quarterly payments are \$46,439. The outstanding balance is \$986,525 and the note is due 9/1/2015. As of the issuance of the County's audited financial statements, the County paid \$46,439 on the GEFA note.

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**MACON COUNTY, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**

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## NONMAJOR SPECIAL REVENUE FUNDS

**Law Library** – to account for costs of operating and maintaining the Macon County Law Library. Financing is provided from a \$2 charge added to and collected on all costs in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the Act establishing the County Law Library. All books, reports, texts and periodicals purchased from these funds become the property of the County.

**Drug Education** – to account for the expenditure of monies from the County Drug Abuse Treatment and Education Fund. Financing is provided by the collection of an add-on fine as allowed by state law.

**Jail Fines** – to account for revenues received from add-on fines to be used for the operation of the County's jail.

**Federal Forfeited Property** – to account for revenues received from the federal government for property forfeited in federal cases to be used for law enforcement activities.

**Community Development Block Grant 07h-y-096-1-3359** – to account for revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvements Project.

**Transit System** – to account for the operations of the Macon County Transit System. Financing is provided under an agreement with the Georgia Department of Transportation to receive funding under Section 18 of the Urban Mass Transportation Act of 1964, from user fares and from operating transfers from the General Fund of Macon County.

**Flood Disaster Loan** – established to account for a \$172,228 Community Development Block Grant from the Georgia Department of Community Affairs to be used for the Flood Disaster Business Loan Recovery Program.

**MACON COUNTY, GEORGIA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2009**

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 28,374	\$ 67,797	\$ 67,754	\$ 10,112
Loans receivable	-	-	-	-
Due from other governments	4,558	-	-	-
Due from other funds	-	-	1,719	-
Total assets	<u>32,932</u>	<u>67,797</u>	<u>69,473</u>	<u>10,112</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts payable	-	-	-	-
Due to other funds	-	1,719	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>1,719</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>				
Unreserved	<u>32,932</u>	<u>66,078</u>	<u>69,473</u>	<u>10,112</u>
Total fund balance	<u>32,932</u>	<u>66,078</u>	<u>69,473</u>	<u>10,112</u>
Total liabilities and fund balance	<u>\$ 32,932</u>	<u>\$ 67,797</u>	<u>\$ 69,473</u>	<u>\$ 10,112</u>

<b>CDBG 07h-y-096 1-3359</b>	<b>Transit System</b>	<b>Flood Disaster Loan</b>	<b>Total</b>
\$ 5,266	\$ -	\$ 94,383	\$ 273,686
-	-	77,834	77,834
-	19,320	-	23,878
-	-	11	1,730
<u>5,266</u>	<u>19,320</u>	<u>172,228</u>	<u>377,128</u>
2,860	-	-	2,860
71	-	-	1,790
2,335	-	-	2,335
<u>5,266</u>	<u>-</u>	<u>-</u>	<u>6,985</u>
-	19,320	172,228	370,143
-	19,320	172,228	370,143
<u>\$ 5,266</u>	<u>\$ 19,320</u>	<u>\$ 172,228</u>	<u>\$ 377,128</u>

**MACON COUNTY, GEORGIA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	5,424	3,866	34,792	-
Investment income	-	422	721	66
Total revenues	<u>5,424</u>	<u>4,288</u>	<u>35,513</u>	<u>66</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Judicial	5,519	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Conservation and development	-	-	-	-
Total expenditures	<u>5,519</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(95)	4,288	35,513	66
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	(70,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>
Net change in fund balance	(95)	4,288	(34,487)	66
Fund balance - beginning	<u>33,027</u>	<u>61,790</u>	<u>103,960</u>	<u>10,046</u>
Fund balance - ending	<u>\$ 32,932</u>	<u>\$ 66,078</u>	<u>\$ 69,473</u>	<u>\$ 10,112</u>

<b>CDBG 07h-y-096 1-3359</b>	<b>Transit System</b>	<b>Flood Disaster Loan</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 106,467	\$ 42,790	\$ -	\$ 149,257
-	34,056	-	34,056
-	-	-	44,082
-	-	-	1,209
<u>106,467</u>	<u>76,846</u>	<u>-</u>	<u>228,604</u>
-	-	-	5,519
-	-	-	-
-	97,666	-	97,666
<u>106,467</u>	<u>-</u>	<u>-</u>	<u>106,467</u>
<u>106,467</u>	<u>97,666</u>	<u>-</u>	<u>209,652</u>
-	(20,820)	-	18,952
-	28,532	-	28,532
-	-	-	(70,000)
<u>-</u>	<u>28,532</u>	<u>-</u>	<u>(41,468)</u>
-	7,712	-	(22,516)
<u>-</u>	<u>11,608</u>	<u>172,228</u>	<u>392,659</u>
<u>\$ -</u>	<u>\$ 19,320</u>	<u>\$ 172,228</u>	<u>\$ 370,143</u>

**MACON COUNTY, GEORGIA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Law Library</u>		
	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b><u>REVENUES</u></b>			
Fines and forfeitures	\$ 5,000	\$ 5,424	\$ 424
Investment income	-	-	-
Total revenues	<u>5,000</u>	<u>5,424</u>	<u>424</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Judicial	5,000	5,519	519
Public safety	-	-	-
Total expenditures	<u>5,000</u>	<u>5,519</u>	<u>519</u>
Excess of revenues over expenditures	-	(95)	(95)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(95)	(95)
Fund balance - beginning	<u>33,027</u>	<u>33,027</u>	<u>-</u>
Fund balance - ending	<u>\$ 33,027</u>	<u>\$ 32,932</u>	<u>\$ (95)</u>

**Drug Education**

<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
\$ 7,000	\$ 3,866	\$ (3,134)
-	422	422
<u>7,000</u>	<u>4,288</u>	<u>(2,712)</u>
7,000	-	(7,000)
-	-	-
<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
-	4,288	4,288
-	-	-
-	-	-
-	4,288	4,288
<u>61,790</u>	<u>61,790</u>	<u>-</u>
<u>\$ 61,790</u>	<u>\$ 66,078</u>	<u>\$ 4,288</u>

**Jail Fines**

<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
\$ 70,000	\$ 34,792	\$ (35,208)
-	721	721
<u>70,000</u>	<u>35,513</u>	<u>(34,487)</u>
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
70,000	35,513	(34,487)
(70,000)	(70,000)	-
(70,000)	(70,000)	-
-	(34,487)	(34,487)
<u>103,960</u>	<u>103,960</u>	<u>-</u>
<u>\$ 103,960</u>	<u>\$ 69,473</u>	<u>\$ (34,487)</u>

**MACON COUNTY, GEORGIA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Federal Forfeited Property</u>		
	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b><u>REVENUES</u></b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	100	66	(34)
Total revenues	<u>100</u>	<u>66</u>	<u>(34)</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Public safety	100	-	(100)
Health and welfare	-	-	-
Conservation and development	-	-	-
Total expenditures	<u>100</u>	<u>-</u>	<u>(100)</u>
Excess (deficiency) of revenue over (under) expenditures	-	66	66
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	66	66
Fund balance - beginning	<u>10,046</u>	<u>10,046</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,046</u>	<u>\$ 10,112</u>	<u>\$ 66</u>

**CDBG 07h-y-096-1-3359**

**Transit System**

<b>CDBG 07h-y-096-1-3359</b>			<b>Transit System</b>			
<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
\$ 90,000	\$ 106,467	\$ 16,467	\$ 46,825	\$ 46,825	\$ 42,790	\$ (4,035)
-	-	-	22,406	22,406	34,056	11,650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>90,000</u>	<u>106,467</u>	<u>16,467</u>	<u>69,231</u>	<u>69,231</u>	<u>76,846</u>	<u>7,615</u>
-	-	-	-	-	-	-
-	-	-	110,719	110,719	97,666	(13,053)
<u>90,000</u>	<u>106,467</u>	<u>16,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>90,000</u>	<u>106,467</u>	<u>16,467</u>	<u>110,719</u>	<u>110,719</u>	<u>97,666</u>	<u>(13,053)</u>
-	-	-	(41,488)	(41,488)	(20,820)	20,668
-	-	-	41,488	41,488	28,532	(12,956)
-	-	-	<u>41,488</u>	<u>41,488</u>	<u>28,532</u>	<u>(12,956)</u>
-	-	-	-	-	7,712	7,712
-	-	-	<u>11,608</u>	<u>11,608</u>	<u>11,608</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,608</u>	<u>\$ 11,608</u>	<u>\$ 19,320</u>	<u>\$ 7,712</u>

**MACON COUNTY, GEORGIA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Flood Disaster Loan</b>		
	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
<b><u>REVENUES</u></b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	-	-	-
Total revenues	-	-	-
<b><u>EXPENDITURES</u></b>			
Current:			
Public safety	-	-	-
Health and welfare	-	-	-
Conservation and development	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenue over (under) expenditures	-	-	-
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning	172,228	172,228	-
Fund balance - ending	\$ 172,228	\$ 172,228	\$ -

## **FIDUCIARY FUNDS**

### **Agency Funds**

**Sheriff** – to account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units and other funds.

**Tax Commissioner** – to account for the collection and payment to Macon County and other taxing units of the property taxes levied, billed and collected by the Tax Commissioner on behalf of Macon County and other taxing units.

**Clerk of Superior Court** – to account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units and other funds.

**Probate Court** – to account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units and other funds.

**Magistrate Court** – to account for all monies received by the Magistrate Court on behalf of Macon County.

**Special Sales Tax Fund** – to account for the collection and payment of all monies received by Macon County from the imposition of the special purpose sales and use tax.

**MACON COUNTY, GEORGIA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Sheriff</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b>ASSETS</b>				
Cash	\$ 2,658	\$ 78,938	\$ 78,580	\$ 3,016
Total assets	<u>\$ 2,658</u>	<u>\$ 78,938</u>	<u>\$ 78,580</u>	<u>\$ 3,016</u>
<b>LIABILITIES</b>				
Due to other funds:				
General fund	\$ -	\$ 39,786	\$ 39,786	\$ -
Jail fines fund	-	12,915	12,915	-
Due to state	-	2,512	1,540	972
Restitution payable	2,109	23,725	23,834	2,000
Other	549	-	505	44
Total liabilities	<u>\$ 2,658</u>	<u>\$ 78,938</u>	<u>\$ 78,580</u>	<u>\$ 3,016</u>

Tax Commissioner

<b>ASSETS</b>				
Cash	\$ 87,867	\$ 10,213,227	\$ 10,277,807	\$ 23,287
Total assets	<u>\$ 87,867</u>	<u>\$ 10,213,227</u>	<u>\$ 10,277,807</u>	<u>\$ 23,287</u>
<b>LIABILITIES</b>				
Due to other funds:				
General fund	\$ -	\$ 3,920,116	\$ 3,920,116	\$ -
Due to other taxing units:				
Macon County School Board	73,756	5,754,661	5,812,641	15,776
City of Ideal	283	6,071	6,232	122
City of Oglethorpe	1,580	22,569	23,918	231
City of Montezuma	3,827	62,510	65,130	1,207
City of Marshallville	1,942	24,174	25,478	638
Due to state	6,224	421,206	422,117	5,313
Other	255	1,920	2,175	-
Total liabilities	<u>\$ 87,867</u>	<u>\$ 10,213,227</u>	<u>\$ 10,277,807</u>	<u>\$ 23,287</u>

**MACON COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

<u>Clerk of Superior Court</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b>ASSETS</b>				
Cash	\$ 87,701	\$ 303,556	\$ 294,344	\$ 96,913
Total assets	<u>\$ 87,701</u>	<u>\$ 303,556</u>	<u>\$ 294,344</u>	<u>\$ 96,913</u>

**LIABILITIES**

Due to other funds:				
General fund	\$ -	\$ 117,689	\$ 117,689	\$ -
Drug fund	-	1,762	1,762	-
Jail fund	-	1,972	1,972	-
Law library fund	-	1,329	1,329	-
Due to state	2,128	21,333	21,649	1,812
Due to other taxing units	6,976	67,286	69,772	4,490
Retirement payable:				
Clerk's, Peace Officers' and Sheriff	561	4,055	4,170	446
Funds held in escrow	71,060	76,689	61,497	86,252
Other	6,976	11,441	14,504	3,913
Total liabilities	<u>\$ 87,701</u>	<u>\$ 303,556</u>	<u>\$ 294,344</u>	<u>\$ 96,913</u>

Probate Court

**ASSETS**

Cash	\$ 11,777	\$ 157,034	\$ 155,221	\$ 13,590
Total assets	<u>\$ 11,777</u>	<u>\$ 157,034</u>	<u>\$ 155,221</u>	<u>\$ 13,590</u>

**LIABILITIES**

Due to other funds:				
General fund	\$ -	\$ 97,765	\$ 97,765	\$ -
Jail fund	-	7,530	7,530	-
Law library fund	-	4,095	4,095	-
Due to state	2,255	23,325	23,837	1,743
Retirement payable	735	9,048	9,093	690
Other	8,787	15,271	12,901	11,157
Total liabilities	<u>\$ 11,777</u>	<u>\$ 157,034</u>	<u>\$ 155,221</u>	<u>\$ 13,590</u>

**MACON COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2009</b>
<hr/> <b>Magistrate Court</b> <hr/>				
<b><u>ASSETS</u></b>				
Cash	\$ 17,639	\$ 230,015	\$ 233,082	\$ 14,572
Total assets	\$ 17,639	\$ 230,015	\$ 233,082	\$ 14,572
 <b><u>LIABILITIES</u></b>				
Due to other funds:				
General fund	\$ -	\$ 42,725	\$ 42,725	\$ -
Due to state	1,218	14,208	13,894	1,532
Retirement payable	320	3,788	3,700	408
Restitution payable	13,239	163,790	167,472	9,557
Funds held in escrow	2,000	-	-	2,000
Other	862	5,504	5,291	1,075
Total liabilities	\$ 17,639	\$ 230,015	\$ 233,082	\$ 14,572

<hr/> <b>Special Sales Tax Fund</b> <hr/>				
<b><u>ASSETS</u></b>				
Cash	\$ 466,401	\$ 4,068	\$ 96,325	\$ 374,144
Total assets	\$ 466,401	\$ 4,068	\$ 96,325	\$ 374,144
 <b><u>LIABILITIES</u></b>				
Due to other taxing authorities:				
City of Ideal	\$ 35,094	\$ 1,249	\$ 1,576	\$ 34,767
City of Oglethorpe	72,862	481	125	73,218
City of Montezuma	1,027	-	-	1,027
City of Marshallville	357,418	2,338	94,624	265,132
Total liabilities	\$ 466,401	\$ 4,068	\$ 96,325	\$ 374,144

**MACON COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

<u>Total - All Agency Funds</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b><u>ASSETS</u></b>				
Cash	\$ 674,043	\$ 10,986,838	\$ 11,135,359	\$ 525,522
Total assets	<u>\$ 674,043</u>	<u>\$ 10,986,838</u>	<u>\$ 11,135,359</u>	<u>\$ 525,522</u>
 <b><u>LIABILITIES</u></b>				
Due to other funds	\$ -	\$ 4,247,684	\$ 4,247,684	\$ -
Due to other taxing units	554,765	5,941,339	6,099,496	396,608
Due to state	11,825	480,072	481,497	11,372
Retirement payable	1,616	16,891	16,963	1,544
Restitution payable	15,348	187,515	191,306	11,557
Funds held in escrow	73,060	76,689	61,497	88,252
Other	17,429	34,136	35,376	16,189
Total liabilities	<u>\$ 674,043</u>	<u>\$ 10,984,326</u>	<u>\$ 11,133,819</u>	<u>\$ 525,522</u>

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**SUPPLEMENTARY DATA SECTION**

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**MACON COUNTY, GEORGIA  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
07h-y-096-1-3359  
PROJECT COST SCHEDULE  
FOR THE PERIOD ENDING JUNE 30, 2009**

<u>Program Activity</u>	<u>Activity Number</u>	<u>Budget</u>	<u>Cumulative Expenditures CDBG Funds</u>	<u>Cumulative Expenditures Other Funds</u>	<u>Total Expenditures</u>
Rehabilitation	H-004-00	\$ 4,500	\$ -	\$ -	\$ -
Rehabilitation	H-14A-01	321,500	107,158	-	107,158
Rehabilitation	H-14A-02	97,000	-	-	-
Administration	A-21A-00	35,000	23,136	-	23,136
Contingencies	C-022-00	42,000	-	-	-
Totals		<u>\$ 500,000</u>	<u>\$ 130,294</u>	<u>\$ -</u>	<u>\$ 130,294</u>

Source of Other Funds: Local Match

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**GOVERNMENT AUDIT SECTION**

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**BUTLER, WILLIAMS & WYCHE, LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
915 HILL PARK  
MACON, GEORGIA 31201**

December 16, 2009

**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 Board of County Commissioners  
of Macon County  
Oglethorpe, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2009. We did not audit the financial statements of the Macon County Department of Public Health. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion insofar as it relates to the amounts included for the Macon County Department of Public Health are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings as items 2009-1 through 2009-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that items 2009-3 through 2009-5 are material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Macon County, Georgia's, financial statements are free of 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 are required to be reported under *Government Auditing Standards*.

Macon County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit Macon County, Georgia's responses and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of Macon County, Georgia, in a separate letter dated December 16, 2009

This report is intended solely for the information and use of the Board of County Commissioners, management, others in the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Butler, Williams & Hyche, LLP*

Macon, Georgia

**MACON COUNTY, GEORGIA  
SCHEDULE OF FINDINGS  
FOR YEAR ENDED JUNE 30, 2009**

**2009-1** *Criteria* – Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel in order to prevent and/or detect unauthorized use of assets.

*Condition* – Some of the departments within Macon County, Georgia’s government offices, namely the Sheriff Department, have a limited number of employees and resources; therefore, it is sometimes necessary for certain employees to perform duties that are conflicting from an internal control perspective. Overlapping of duties exists primarily in areas of cash receipts/disbursements, recording and reconciliation functions. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected in the normal course of business.

*Cause of Condition* – The lack of segregation of duties is due to the limited number of employees in these offices that are trained to work on financial records.

*Effect of Condition* – Failure to properly segregate between recording, receipt/distribution, and reconciliation of accounts can result in intentional or unintentional errors that could occur without being promptly detected.

*Recommendation* – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of the transaction.

*Response/Corrective Action Plan* –We concur. We have evaluated the cost versus benefit associated with improving internal controls and due to the limited amount of staff and associated cost, this condition will continue to exist to some extent; however, we will incorporate reviews by management to mitigate the associated risks.

**2009-2** *Criteria* – Agency funds are used to account for resources held by the government in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that reconciliations of these accounts be performed timely.

*Condition* – Macon County, Georgia’s Jury Script accounts were not reconciled for the fiscal year ending June 30, 2009.

*Cause of Condition* – There are many checks written out of the jury script account for the same amount causing the reconciliation process to be lengthy.

*Effect of Condition* – Failure to reconcile bank statements monthly and timely could result in misstatements without the Court’s knowledge.

*Recommendation* – We recommend the Court continue to work toward timely reconciliations of all agency accounts.

*Response/Corrective Action Plan* –We concur. We will continue to strive toward timely reconciliations of all agency accounts.

**MACON COUNTY, GEORGIA  
SCHEDULE OF FINDINGS  
FOR YEAR ENDED JUNE 30, 2009**

**2009-3**     **Criteria** – Generally accepted accounting principles require reporting of all current liabilities when the goods have been received or services have been performed, regardless of the timing of related cash flows.

**Condition** – The County did not reverse prior year accruals for accounts and wages payable.

**Cause of Condition** – Audit adjustments were needed to reverse prior year accruals of amounts owed to others.

**Effect of Condition** – Audit adjustments were required to decrease accounts payable and wages payable for salaries and other expenditure accounts. These adjustments were considered significant and material to the governmental fund information reported in the Authority's financial statements.

**Recommendation** – We recommend the Authority review prior year accruals for liabilities to ensure all adjustments were reversed in the current year and the current year expenditures of the government are not overstated.

**Response/Corrective Action Plan** – We concur. We will carefully review all disbursements within the sixty day accrual period following the end of the fiscal year to ensure all liabilities have been properly recognized and recorded.

**2009-4**     **Criteria** – Macon County utilizes a capitalization threshold of \$5,000 for expenditures related to Capital Asset purchases. At the fund level, expenditures meeting the capital asset requirements are recorded as capital outlay.

**Condition** – Internal controls did not detect the incorrect recording of small equipment expenditures and intergovernmental payments which were recorded in capital outlay accounts of various governmental funds.

**Cause of Condition** – During our audit of expenditures, audit adjustments were required to correct various account balances. These adjustments were due to the recording of small equipment and intergovernmental payments in capital outlay expenditure accounts.

**Effect of Condition** – Small equipment expenditures accounts were understated \$18,000 and intergovernmental payments were understated \$24,000. These adjustments were considered significant and material to the fund level information reported in the County's financial statements.

**Recommendation** – We recommend the County review all capital outlay accounts throughout the year to ensure expenditures are being coded to the correct expenditure accounts.

**Response/Corrective Action Plan** – We concur. Management and the Board of Commissioners will discuss the workload of current staff and discuss the need to hire additional staff with governmental accounting knowledge or the need to reallocate the workload of current staff in order to ensure expenditures of the funds of the County are properly recorded. We will strive to correct these internal control issues over the next twelve to eighteen months.

**2009-5**     **Criteria** – At the end of the fiscal year all revenues and expenditures of funds are closed into fund balance to begin the next fiscal year.

**Condition** – Internal Controls did not detect the improper balances recorded in a special revenue fund due to the fund being closed and rolled forward improperly.

**Cause of Condition** – Current staffing and workload conditions are causing a failure compliance with the internal control procedures implemented by the County.

**MACON COUNTY, GEORGIA  
SCHEDULE OF FINDINGS  
FOR YEAR ENDED JUNE 30, 2009**

***Effect of Condition*** – Beginning balances of a governmental fund were incorrect due to the improper closing of the fund at the end of the prior fiscal year. During our audit, adjustments were required to increase fund balance by \$11,600. These adjustments were considered significant and material to the fund level information reported in the County’s financial statements.

***Recommendation*** – We recommend the County follow procedures to correctly close and maintain each fund of the County. Furthermore, we recommend Management and the Board of Commissioners assess the current workload of each staff member to decide how best to improve compliance with internal controls over financial reporting.

***Response/Corrective Action Plan*** – We concur. Management and the Board of Commissioners will discuss the current staffing situation and reevaluate the workload of current staffing positions to decide the best course of action for the County. Over the next twelve to eighteen months we will work toward ensuring the County is in a position to implement and following procedures related to internal control over financial reporting.

**MACON COUNTY, GEORGIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR YEAR ENDED JUNE 30, 2009**

**2008-1** *Criteria* – Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel in order to prevent and/or detect unauthorized use of assets.

*Condition* – Some of the departments within Macon County, Georgia’s government offices, namely the Sheriff Department, have a limited number of employees and resources; therefore, it is sometimes necessary for certain employees to perform duties that are conflicting from an internal control perspective. Overlapping of duties exists primarily in areas of cash receipts/disbursements, recording and reconciliation functions. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected in the normal course of business.

*Cause of Condition* – The lack of segregation of duties is due to the limited number of employees in these offices that are trained to work on financial records.

*Effect of Condition* – Failure to properly segregate between recording, receipt/distribution, and reconciliation of accounts can result in intentional or unintentional errors that could occur without being promptly detected.

*Recommendation* – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of the transaction.

*Response/Corrective Action Plan* –Refer to current year schedule of findings 2009-1

**2008-2** *Criteria* – Agency funds are used to account for resources held by the government in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that reconciliations of these accounts be performed timely.

*Condition* – Macon County, Georgia’s Jury Script accounts were not reconciled for the fiscal year ending June 30, 2008.

*Cause of Condition* – There are so many checks written out of the jury script account for the same amount that the reconciliation process is lengthy.

*Effect of Condition* – Failure to reconcile bank statements monthly and timely could result in misstatements without the Court’s knowledge.

*Recommendation* – We recommend the Court continue to work toward timely reconciliations of all agency accounts.

*Response/Corrective Action Plan* –Refer to current year schedule of findings 2009-2

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**STATE AUDIT SECTION**

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**MACON COUNTY, GEORGIA  
SCHEDULE OF PROJECTS UNDERTAKEN  
WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED JUNE 30, 2009**

<b>Project</b>	<b>Original Estimated Cost</b>	<b>Expenditures</b>			<b>Estimated Percentage of Completion</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>	
<b><u>2003 Referendum</u></b>					
Road improvements	\$ 3,349,498	\$ 3,349,498	\$ -	\$ 3,349,498	100%
Whitewater Creek Park	360,000	360,000	-	360,000	100%
Administrative building	250,000	-	-	-	0%
Road, drainage and bridge improvements	3,100,000	897,782	884,183	1,781,965	57%
<b><u>2006 Referendum</u></b>					
Jail renovations and improvements	\$ 500,000	\$ 31,186	\$ 21,377	\$ 52,563	11%
Road, drainage and bridge improvements	1,383,000	-	122,163	122,163	9%
Recreation projects	275,000	275,000	-	275,000	100%
Fire stations	842,000	-	-	-	0%