

MACON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2017

MACON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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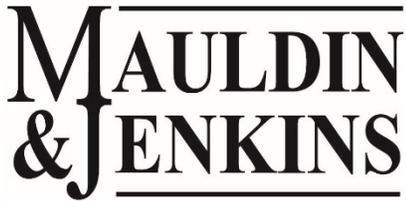
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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Macon County, Georgia**, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Macon County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health, whose statements reflect total assets and deferred outflows of resources of \$329,103 as of June 30, 2017, and total revenues of \$343,100 for the year ended June 30, 2017. Those statements were audited by other auditors whose report has 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 solely on the report of the other auditor. 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 from material misstatement.

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

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

Opinions

In our opinion, based on our 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 9) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, 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 and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2017, on our consideration of Macon County, Georgia'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 14, 2017

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017. Please read it in conjunction with 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 Position and a Statement of Activities. *Fund financial statements* provide information that is more detailed than that 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 Position 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 position and changes in net position. One can think of the County's net position - 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 position is an indicator of whether the County's financial health is improving or deteriorating. Net position is reported in three categories (1) net investment 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 position.

In the Statement of Net Position 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 activities of the County is post closure care, since the County's landfill closed in 1997.

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Additional information about the County's component units is presented in the notes to the financial statements.

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 three major governmental funds namely, the General Fund, the 2010 Capital Projects Fund and the Transportation Special Purpose Local Option Sales Tax or T-SPLOST 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 position; a statement of revenues, expenses, and changes in fund net position; 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.

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 assets and liabilities 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.

Financial Highlights - For Fiscal Year 2017, Macon County's governmental funds reported combined fund balances totaling \$8,567,330; an increase of \$946,443. Approximately 39.5 percent (\$3.4 million) of the combined fund balances for governmental funds is available for spending. The remaining 60.5 percent (\$5.2 million) is reserved in non-major special revenue funds or reserved for construction.

The following is condensed information from the government-wide perspective:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 9,069,873	\$ 7,997,639	\$ 626,127	\$ 641,314	\$ 9,696,000	\$ 8,638,953
Capital Assets	11,758,861	12,017,059	-	-	11,758,861	12,017,059
Total Assets	20,828,734	20,014,698	626,127	641,314	21,454,861	20,656,012
Long-term liabilities	684,592	695,450	493,866	487,527	1,178,458	1,182,977
Other liabilities	502,543	376,752	-	-	502,543	376,752
Total liabilities	1,187,135	1,072,202	493,866	487,527	1,681,001	1,559,729
Net Position:						
Net investment in capital assets	11,669,117	11,907,059	-	-	11,669,117	11,907,059
Restricted	4,624,624	4,053,565	-	-	4,624,624	4,053,565
Unrestricted	3,347,858	2,981,872	132,261	153,787	3,480,119	3,135,659
Total Net Position	\$19,641,599	\$18,942,496	\$ 132,261	\$ 153,787	\$ 19,773,860	\$19,096,283

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,355,576	\$ 1,248,823	-	-	\$ 1,355,576	\$ 1,248,823
Operating grants and contributions	7,526	88,115	-	-	7,526	88,115
Capital grants and contributions	1,057,835	763,843	-	-	1,057,835	763,843
General revenues:						
Property taxes	4,148,905	4,072,262	-	-	4,148,905	4,072,262
Sales taxes	2,126,828	2,111,315	-	-	2,126,828	2,111,315
Other taxes	542,903	519,257	-	-	542,903	519,257
Unrestricted investment earnings	9,211	9,889	2,542	4,217	11,753	14,106
Gain on sale of capital assets	-	-	-	-	-	-
Total Revenues	9,248,784	8,813,504	2,542	4,217	9,251,326	8,817,721
Expenses:						
General government	1,322,168	1,425,805	-	-	1,322,168	1,425,805
Judicial	705,771	679,488	-	-	705,771	679,488
Public safety	1,979,532	1,862,880	-	-	1,979,532	1,862,880
Public works	2,442,078	2,232,475	-	-	2,442,078	2,232,475
Health and welfare	1,232,053	1,393,415	-	-	1,232,053	1,393,415
Culture and recreation	555,762	1,005,789	-	-	555,762	1,005,789
Conservation and development	215,239	519,659	-	-	215,239	519,659
Economic development	93,228	108,338	-	-	93,228	108,338
Solid waste disposal	-	-	24,068	26,147	24,068	26,147
Interest on long-term debt	3,850	-	-	-	3,850	-
Total Expenses	8,549,681	9,227,849	24,068	26,147	8,573,749	9,253,996
Increase (decrease) in net position	699,103	(414,345)	(21,526)	(21,930)	677,577	(436,275)
Net position - beginning	18,942,496	19,356,841	153,787	175,717	19,096,283	19,532,558
Net position - ending	\$19,641,599	\$18,942,496	\$ 132,261	\$ 153,787	\$19,773,860	\$19,096,283

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 2017, total assets were \$3.8 million and total liabilities were \$0.47 million. The ending fund balance of \$3.4 million represents 49.2% of expenditures and transfers for the year. The ending fund balance is unassigned. In assessing the County's financial health, unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year. Total revenues for Fiscal Year 2017, \$9.249 million, exceeded the total expenditures of \$8.813 million by \$946,443. This included all governmental funds.

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

During Fiscal Year 2017, General Fund Revenues for the year, \$6.946 million, were greater than the budget by 2.1 percent. Taxes comprised 74.7% of the General Fund's revenue stream in Fiscal Year 2017. Total General Fund Expenditures for Fiscal Year 2017 were \$6.834 million, 96.0% of the final amended budget.

During fiscal Year 2017, the General Fund transferred \$39,628 to the Transit Fund to offset shortage between the revenue received from the Section 5311 Grant, fare-box revenue and purchase of services and the actual expenses that were incurred by the Transit System. Funds transferred from other funds to offset General Fund expenditures totaled \$60,000.

2010 Capital Projects Fund is a major capital project fund used to account for the use of Special Purpose Local Option Sales Tax (SPLOST) levied in 2010 for the purpose of maintaining and improving the County's road network, to make improvements to the Annex Building, Courthouse, Health Department, EMA Building, Literacy Center, Government Office Building, capital equipment purchases for Public Works Department, Sheriff's Department, Emergency Medical Service, Fire Department, Recreation Department, Whitewater Creek Park and Tax Assessors office and to construct an aquatic facility. Revenues for Fiscal Year 2017 were \$.284 million and expenditures were \$.426 million, resulting in an end of year fund balance of \$1.18 million.

Transportation Special Purpose Local Option Sales Tax Fund (T-SPLOST) is a major capital projects fund used to account for the use of Special Purpose Local Option Sales Tax levied in 2013 for the specific purpose of maintaining and improving the state and county road network. Seventy-five (75) percent of the funds generated go directly to the state for two major projects for the County. The remaining twenty-five percent is accounted for in this fund by the County and is designated for transportation related expenditures including improvements to roads, bridges, road department operating cost and the purchase of equipment. Revenues for Fiscal Year 2017 were \$.60 million; expenditures and transfers were \$470,656, resulting in an end of year fund balance of \$1.8 million.

Non-Major Governmental Funds is a summary of non-major special revenue funds and non-major capital project funds. Special revenues are derived from the Law Library, Law Enforcement fines and activities, Jail fines, CDBG grants, operation of the Transit system, and County managed loan funds. The non-major capital funds include funds from SPLOST proceeds levied prior to 2010, building and infrastructure for Whitewater Creek Park and Local Maintenance and Improvement Grant (LMIG) funds. Non-major governmental fund revenues for the Fiscal Year 2017 were \$1.42 million and expenditures were \$631,116 resulting in an end of year fund balance of \$2.1 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. Total assets were \$0.64 million and total liabilities were \$0.51 million at the end of Fiscal Year 2017. Expenses from post closure cost resulted in a \$21,526 decrease to the net position of the fund.

**MACON COUNTY, GEORGIA
MANAGEMENT'S DISUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Capital Assets and Debt Administration

Capital Assets - In Fiscal Year 2017, investments in capital assets for governmental activities decreased \$.258 million, (net of accumulated depreciation). At year end, the closed landfill had no capital assets. Governmental activities capital investment amounts to \$11.7 million. During the year, the County made expenditures of \$818,739 primarily from funds collected from prior year (2010) Special Purpose Local Option Sales Tax (SPLOST) and the new SPLOST levy in 2016, Transportation SPLOST (T-SPLOST) and funds from the Georgia Department of Transportation Local Maintenance Improvement Grant (LMIG), for equipment purchases and road and building improvements.

Debt Management – Macon County entered into an agreement with the USDA for a note of \$110,000 which changed its status from being totally debt free as of FY2016. The note is payable through 2021 but can be paid off early without penalty. The only other 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 2017 is \$1.07 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 Roselyn Starling, Deputy County Manager/Chief Financial Officer.

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	\$ 7,872,174	\$ -	\$ 7,872,174	\$ 145,212	\$ 219,303
Investments	375,000	643,858	1,018,858	-	-
Taxes receivable	39,409	-	39,409	-	-
Accounts receivable, net of allowances	15,328	-	15,328	2,000	-
Notes receivable	464,175	-	464,175	74,923	-
Internal balances	17,731	(17,731)	-	-	-
Due from other governments	286,056	-	286,056	750	47,259
Capital assets, non-depreciable	655,675	-	655,675	50,524	-
Capital assets, depreciable, net of accumulated depreciation	11,103,186	-	11,103,186	104,339	-
Total assets	20,828,734	626,127	21,454,861	377,748	266,562
DEFERRED OUTFLOWS OF RESOURCES					
Employer pension contributions	-	-	-	-	62,541
LIABILITIES					
Accounts payable	226,476	-	226,476	640	17,467
Accrued salaries	176,067	-	176,067	1,426	-
Due to other governments	-	-	-	268	-
Compensated absences due within one year	84,938	-	84,938	-	-
Compensated absences due in more than one year	80,791	-	80,791	-	15,460
Net pension liability	-	-	-	-	211,450
Note payable due within one year	20,964	-	20,964	-	-
Note payable due in more than one year	68,780	-	68,780	-	-
Accrued closure/postclosure care costs due within one year	-	22,180	22,180	-	-
Accrued closure/postclosure care costs due in more than one year	429,119	471,686	900,805	-	-
Total liabilities	1,087,135	493,866	1,581,001	2,334	244,377
DEFERRED INFLOWS OF RESOURCES					
Proportionate share of collective deferred inflows of resources- pension	-	-	-	-	2,578
NET POSITION					
Net investment in capital assets	11,669,117	-	11,669,117	154,863	-
Restricted for:					
Capital improvements	4,371,289	-	4,371,289	-	-
Judicial programs	17,387	-	17,387	-	-
Public safety	91,310	-	91,310	-	-
Conservation and development Programs	144,638	-	144,638	-	-
Programs	-	-	-	-	70,313
Unrestricted	3,347,858	132,261	3,480,119	220,551	11,835
Total net position	\$ 19,641,599	\$ 132,261	\$ 19,773,860	\$ 375,414	\$ 82,148

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

MACON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 1,322,168	\$ 268,850	\$ 1,157	\$ 437,034
Judicial	705,771	188,284	-	-
Public safety	1,979,532	562,995	6,369	-
Public works	2,442,078	224,898	-	601,801
Health and welfare	1,232,053	119	-	-
Culture and recreation	555,762	-	-	19,000
Conservation and development	215,239	110,430	-	-
Economic development	93,228	-	-	-
Interest on long-term debt	3,850	-	-	-
Total governmental activities	8,549,681	1,355,576	7,526	1,057,835
Business-type activities:				
Solid waste disposal	24,068	-	-	-
Total business-type activities	24,068	-	-	-
Total primary government	\$ 8,573,749	\$ 1,355,576	\$ 7,526	\$ 1,057,835
Component units:				
Development Authority	\$ 112,303	\$ 32,000	\$ 166,359	\$ -
Health Department	289,791	60,900	282,200	-
Total component units	\$ 402,094	\$ 92,900	\$ 448,559	\$ -
General revenues:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Insurance premium taxes				
Franchise taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

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

Governmental Activities	Business-type Activities	Total	Component Units	
			Development Authority	Health Department
\$ (615,127)	\$ -	\$ (615,127)	\$ -	\$ -
(517,487)	-	(517,487)	-	-
(1,410,168)	-	(1,410,168)	-	-
(1,615,379)	-	(1,615,379)	-	-
(1,231,934)	-	(1,231,934)	-	-
(536,762)	-	(536,762)	-	-
(104,809)	-	(104,809)	-	-
(93,228)	-	(93,228)	-	-
(3,850)	-	(3,850)	-	-
<u>(6,128,744)</u>	<u>-</u>	<u>(6,128,744)</u>	<u>-</u>	<u>-</u>
-	(24,068)	(24,068)	-	-
-	(24,068)	(24,068)	-	-
<u>(6,128,744)</u>	<u>(24,068)</u>	<u>(6,152,812)</u>	<u>-</u>	<u>-</u>
-	-	-	86,056	-
-	-	-	-	53,309
-	-	-	<u>86,056</u>	<u>53,309</u>
4,148,905	-	4,148,905	-	-
2,126,828	-	2,126,828	-	-
42,331	-	42,331	-	-
447,087	-	447,087	-	-
92	-	92	-	-
53,393	-	53,393	-	-
9,211	2,542	11,753	4,293	-
<u>6,827,847</u>	<u>2,542</u>	<u>6,830,389</u>	<u>4,293</u>	<u>-</u>
699,103	(21,526)	677,577	90,349	53,309
18,942,496	153,787	19,096,283	285,065	28,839
<u>\$ 19,641,599</u>	<u>\$ 132,261</u>	<u>\$ 19,773,860</u>	<u>\$ 375,414</u>	<u>\$ 82,148</u>

MACON COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2017

	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 3,233,324	\$ 1,172,343	\$ 1,822,441	\$ 1,644,066	\$ 7,872,174
Investments	375,000	-	-	-	375,000
Taxes receivable	39,409	-	-	-	39,409
Accounts receivable	15,328	-	-	-	15,328
Notes receivable	-	-	-	464,175	464,175
Due from other governments	181,495	-	51,423	53,138	286,056
Due from other funds	17,831	10,365	-	91	28,287
Total assets	\$ 3,862,387	\$ 1,182,708	\$ 1,873,864	\$ 2,161,470	\$ 9,080,429
LIABILITIES					
Accounts and contracts payable	\$ 200,801	\$ -	\$ -	\$ 25,675	\$ 226,476
Accrued liabilities	176,067	-	-	-	176,067
Due to other governments	100,000	-	-	-	100,000
Due to other funds	91	-	-	10,465	10,556
Total liabilities	476,959	-	-	36,140	513,099
FUND BALANCES					
Nonspendable - long-term notes receivable	-	-	-	464,175	464,175
Restricted for:					
Capital improvements	-	1,182,708	1,873,864	1,314,717	4,371,289
Judicial programs	-	-	-	17,387	17,387
Public safety	-	-	-	91,310	91,310
Health and welfare	-	-	-	93,103	93,103
Assigned for:					
Conservation and development	-	-	-	144,638	144,638
Unassigned	3,385,428	-	-	-	3,385,428
Total fund balances	3,385,428	1,182,708	1,873,864	2,125,330	8,567,330
Total liabilities and fund balances	\$ 3,862,387	\$ 1,182,708	\$ 1,873,864	\$ 2,161,470	
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net position are different because:</p> <p style="margin-left: 40px;">Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 11,758,861</p> <p style="margin-left: 40px;">Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p> <p style="margin-left: 80px;">Notes payable (89,744)</p> <p style="margin-left: 80px;">Compensated absences (165,729)</p> <p style="margin-left: 80px;">Closure/Postclosure care costs (429,119)</p> <p style="margin-left: 40px;">Net position of governmental activities <u>\$ 19,641,599</u></p>					

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

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 4,148,905	\$ -	\$ -	\$ -	\$ 4,148,905
Sales taxes	496,299	283,596	600,695	-	1,380,590
Other taxes	542,903	-	-	-	542,903
Licenses and permits	50,072	-	-	-	50,072
Intergovernmental	444,560	-	-	1,366,918	1,811,478
Charges for services	1,142,095	-	-	119	1,142,214
Fines and forfeitures	67,371	-	-	42,079	109,450
Investment income	486	121	-	8,725	9,332
Other revenues	53,840	-	-	-	53,840
Total revenues	6,946,531	283,717	600,695	1,417,841	9,248,784
Expenditures:					
Current:					
General government	1,265,626	-	12,702	-	1,278,328
Judicial	680,673	-	-	2,249	682,922
Public safety	1,830,499	-	-	-	1,830,499
Public works	1,271,480	-	-	-	1,271,480
Health and welfare	1,129,773	-	-	44,747	1,174,520
Culture and recreation	412,035	-	-	-	412,035
Conservation and development	127,035	-	-	84,982	212,017
Economic development	93,228	-	-	-	93,228
Intergovernmental	-	162,387	-	316,677	479,064
Debt service	24,106	-	-	-	24,106
Capital outlay	-	263,727	397,954	182,461	844,142
Total expenditures	6,834,455	426,114	410,656	631,116	8,302,341
Excess (deficiency) of revenues over (under) expenditures	112,076	(142,397)	190,039	786,725	946,443
Other financing sources (uses):					
Transfers in	60,000	-	-	39,628	99,628
Transfers out	(39,628)	-	(60,000)	-	(99,628)
Total other financing sources (uses)	20,372	-	(60,000)	39,628	-
Net change in fund balances	132,448	(142,397)	130,039	826,353	946,443
Fund balance, beginning of year	3,252,980	1,325,105	1,743,825	1,298,977	7,620,887
Fund balance, end of year	\$ 3,385,428	\$ 1,182,708	\$ 1,873,864	\$ 2,125,330	\$ 8,567,330

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

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 FISCAL YEAR ENDED JUNE 30, 2017

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

Net change in fund balances - total governmental funds \$ 946,443

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	385,246
Depreciation	(643,444)

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

Notes payable - principal payments	20,256
Change in:	
Closure/postclosure care costs	(5,507)
Compensated absences	(3,891)

Change in net position \$ 699,103

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

MACON COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,960,474	\$ 4,059,424	\$ 4,148,905	\$ 89,481
Sales taxes	500,000	500,000	496,299	(3,701)
Other taxes	593,700	606,700	542,903	(63,797)
Licenses and permits	60,850	60,850	50,072	(10,778)
Intergovernmental	7,369	251,179	444,560	193,381
Charges for services	1,145,232	1,171,211	1,142,095	(29,116)
Fines and forfeitures	45,000	68,000	67,371	(629)
Investment income	500	500	486	(14)
Other revenues	87,064	87,064	53,840	(33,224)
Total revenues	6,400,189	6,804,928	6,946,531	141,603
Expenditures:				
Current:				
General government:				
County commissioners	800,903	696,891	693,287	3,604
Board of elections	95,683	89,031	87,253	1,778
Tax commissioner	185,001	191,146	190,146	1,000
Tax assessor	228,636	181,979	178,187	3,792
Public buildings	109,882	89,575	84,422	5,153
Board of equalization	1,600	3,300	3,131	169
County attorney	26,938	19,938	19,692	246
Governmental offices	12,600	12,600	9,508	3,092
Total general government	1,461,243	1,284,460	1,265,626	18,834
Judicial:				
Superior court	32,765	46,815	46,568	247
Clerk of superior court	178,278	188,161	188,058	103
Magistrate court	106,929	110,636	104,062	6,574
Probate court	152,464	156,347	152,521	3,826
Juvenile court	30,247	34,547	34,168	379
Public defender	94,750	124,750	124,296	454
District attorney	31,000	31,000	31,000	-
Total judicial	626,433	692,256	680,673	11,583
Public safety:				
Sheriff	814,233	821,901	787,840	34,061
Fire	88,750	369,660	369,251	409
Jail	640,679	651,624	583,084	68,540
E911	45,844	45,844	45,840	4
Civil defense	27,927	28,201	21,870	6,331
Coroner	23,515	23,988	22,614	1,374
Total public safety	1,640,948	1,941,218	1,830,499	110,719

(Continued)

MACON COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highways and streets	\$ 914,947	\$ 1,056,816	\$ 962,325	\$ 94,491
Waste collection	228,000	228,000	227,936	64
Motor vehicle maintenance	112,923	85,266	81,219	4,047
Total public works	<u>1,255,870</u>	<u>1,370,082</u>	<u>1,271,480</u>	<u>98,602</u>
Health and welfare:				
Physical health	90,928	90,928	90,928	-
Ambulance services	990,617	994,919	983,235	11,684
DFACS	4,500	4,500	4,500	-
Literacy Council	40,000	40,000	36,710	3,290
Middle Flint Council on Aging	14,400	14,400	14,400	-
Total health and welfare	<u>1,140,445</u>	<u>1,144,747</u>	<u>1,129,773</u>	<u>14,974</u>
Culture and recreation:				
Recreation	242,941	246,527	234,809	11,718
Whitewater Creek Park	158,563	177,412	176,926	486
Library	300	300	300	-
Total culture and recreation	<u>401,804</u>	<u>424,239</u>	<u>412,035</u>	<u>12,204</u>
Conservation and development:				
County agent	63,909	63,909	51,973	11,936
Georgia Forestry Commission	14,457	14,557	14,557	-
Planning and zoning	3,200	3,200	1,595	1,605
Building inspection	63,026	64,169	58,910	5,259
Total conservation and development	<u>144,592</u>	<u>145,835</u>	<u>127,035</u>	<u>18,800</u>
Economic development:				
River Valley RC	7,515	7,515	7,515	-
Development Authority	85,713	85,713	85,713	-
Total economic development	<u>93,228</u>	<u>93,228</u>	<u>93,228</u>	<u>-</u>
Debt service	<u>24,500</u>	<u>24,500</u>	<u>24,106</u>	<u>394</u>
Total expenditures	<u>6,789,063</u>	<u>7,120,565</u>	<u>6,834,455</u>	<u>286,110</u>
Excess (deficiency) of revenues over expenditures	<u>(388,874)</u>	<u>(315,637)</u>	<u>112,076</u>	<u>427,713</u>
Other financing sources (uses):				
Transfers in	60,000	60,000	60,000	-
Transfers out	(56,543)	(56,543)	(39,628)	16,915
Proceeds from sale of assets	15,000	15,000	-	(15,000)
Total other financing sources (uses)	<u>18,457</u>	<u>18,457</u>	<u>20,372</u>	<u>1,915</u>
Net change in fund balance	(370,417)	(297,180)	132,448	429,628
Fund balance, beginning of year	<u>3,252,980</u>	<u>3,252,980</u>	<u>3,252,980</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,882,563</u>	<u>\$ 2,955,800</u>	<u>\$ 3,385,428</u>	<u>\$ 429,628</u>

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

MACON COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017**

	Solid Waste Disposal Fund
	<u> </u>
ASSETS	
Noncurrent assets:	
Investments	\$ 643,858
Total assets	<u>643,858</u>
LIABILITIES	
Current liabilities:	
Due to other funds	17,731
Closure/postclosure care costs due within one year	22,180
Total current liabilities	<u>39,911</u>
Long-term liabilities:	
Closure/postclosure care costs due in more than one year	471,686
Total long-term liabilities	<u>471,686</u>
Total liabilities	<u>511,597</u>
NET POSITION	
Unrestricted	132,261
Total net position	<u>\$ 132,261</u>

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

MACON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Solid Waste Disposal Fund
OPERATING EXPENSES	
Change in postclosure care cost estimate	\$ 24,068
Total operating expenses	24,068
Operating loss	(24,068)
NON-OPERATING REVENUE	
Interest income	2,542
Total non-operating revenue	2,542
Change in net position	(21,526)
NET POSITION, beginning of year	153,787
NET POSITION, end of year	\$ 132,261

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

MACON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Solid Waste Disposal Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (17,102)
Net cash used in operating activities	(17,102)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment	(643,858)
Maturity of investment	658,418
Interest on investments	2,542
Net cash provided by investing activities	17,102
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	\$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (24,068)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in closure/postclosure payable	6,339
Increase in due to other funds	627
Net cash used in operating activities	\$ (17,102)

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

MACON COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017**

ASSETS	Agency Funds
Cash and cash equivalents	\$ 528,626
Total assets	<u>\$ 528,626</u>
LIABILITIES	
Due to other taxing units	\$ 62,068
Due to state	41,558
Retirement payable	841
Funds held in escrow	396,154
Due to others	<u>28,005</u>
Total liabilities	<u>\$ 528,626</u>

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

MACON COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Macon County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. 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, providing the following services as authorized by its charter: public safety, highways and streets, solid waste collections, health and social services, culture and recreation, court system, public improvements, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Macon County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the financial statements of the component units are discretely presented in the government-wide financial statements.

Discretely Presented Component Units

The Macon County Department of Public Health (the "Health Department") is governed by a seven-member board consisting of six members of the County's Board of Commissioners or members appointed by the County, and one member as appointed by the City of Montezuma. Although the County does not have the authority to modify or approve the Health Department's budget, the County provides financial support to the Health Department. The Health Department has a June 30th year-end and is presented as a governmental fund type component unit. The Health Department's financial statements can be obtained at the Health Department's administrative office in Oglethorpe, Georgia.

The Development Authority of Macon County (the "Authority") is governed by a nine-member board 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. The Authority has a June 30th year-end and is presented as a business-type component unit. Separate financial statements are not prepared for the Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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 the fiduciary fund financial statements, except that agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be 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 are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following 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 **2010 Capital Project Fund** is used to account for the costs associated with improvements to the County's roads, improvements to the County's Annex, Health Department, Courthouse, EMA, Literacy Center and Government Office buildings, construction of an Aquatic Recreation facility and capital equipment purchases for public works, sheriff, emergency medical services, fire, recreation, tax assessor's office and Whitewater Creek park. These improvements are financed by a special 1% sales tax.

The **T-SPLOST Fund** is used to account for the costs associated with transportation projects such as highway rehabilitation. These improvements are financed by a special 1% sales tax.

The County reports the following major proprietary fund:

The **Solid Waste Disposal Enterprise Fund** is used to account for the costs associated with the now closed Macon County Landfill.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Additionally, the County reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

The **Capital Project Funds** account for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

The **Agency Funds** account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and ad valorem and property taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of postclosure care. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 department 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 30th.

E. Cash and Investments

The County's cash is considered to be cash on hand, 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 United States and of its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements and the local government investment pool, Georgia Fund 1. Investments are stated at fair value based on quoted market prices.

F. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets, the County was not required to report major general infrastructure assets prior to fiscal year 2004, but began reporting general infrastructure as of June 30, 2003. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Plant and buildings	25 - 50
Land improvements	15 - 30
Infrastructure	15 - 30
Vehicles and equipment	3 - 20

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category at June 30, 2017.

Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has no items that qualify for reporting in this category at June 30, 2017.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances 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, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners, the County’s highest level of decision making authority, through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Under the County’s policy, amounts may be assigned by the Board of Commissioners or the County Manager.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balance (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balance may be reported in all funds.

The County's policy establishes minimum levels of fund balance to be committed to a Rainy Day Stabilization category. The General Fund is to have a target level based on the County's general operating expenditures. The fund balance target for the General Fund shall not be less than 25% of regular General Fund operating revenues or regular General Fund operating expenditures. These amounts will be classified as committed. At June 30, 2017, the Board of Commissioners had not taken any action to commit any amounts to a Rainy Day Stabilization category.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits and Investments. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, the County's deposits and investments, and the Development Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

As of June 30, 2017, the County held the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificate of deposit	\$ 375,000	November 17, 2017
Certificate of deposit	643,858	November 9, 2017
	<u>\$ 1,018,858</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES

Receivables at June 30, 2017, consist of the following:

	General Fund	2010 Capital Projects Fund	T-SPLOST Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 39,409	\$ -	\$ -	\$ -	\$ 39,409
Accounts	15,328	-	-	-	15,328
Notes	-	-	-	464,175	464,175
Other governments	181,495	-	51,423	53,138	286,056
Net receivables	<u>\$ 236,232</u>	<u>\$ -</u>	<u>\$ 51,423</u>	<u>\$ 517,313</u>	<u>\$ 804,968</u>

Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. Taxes were levied on October 14, 2016, based on property values as of January 1st. Tax bills are mailed at least 60 days prior to the due date and were due and payable on December 16, 2016, after which the applicable property is subject to lien. The County bills and collects its own property taxes. The receivables collected during the year ended June 30, 2017, and collected by August 31, 2017, are recognized as revenues in the year ended June 30, 2017.

The Development Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. In fiscal year 2005, the Authority loaned \$50,000 to a local business with a maturity of seven years and an interest rate of 4.00%. The maturity date of this note has been extended twice and the outstanding balance as of June 30, 2017 is \$4,184 with a due date of August 10, 2017. In October 2012, the Authority made a \$7,000 business start-up loan at an interest rate of 4.00% with a 120-day maturity. The maturity date of this note has been extended three times and the outstanding balance of \$6,794 is now due on January 16, 2018. In August 2014, the Authority made an \$85,000 loan to a local business with a maturity date of August 4, 2021 and an interest rate of 5.25%. The outstanding balance as of June 30, 2017 is \$63,945.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 634,342	\$ -	\$ -	\$ -	\$ 634,342
Construction in progress	21,333	-	-	-	21,333
Total capital assets, not being depreciated	<u>655,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,675</u>
Capital assets, being depreciated:					
Buildings	8,025,426	-	-	-	8,025,426
Infrastructure	6,662,186	-	-	-	6,662,186
Improvements	797,651	61,091	-	-	858,742
Machinery and equipment	4,064,857	324,155	-	-	4,389,012
Total capital assets, being depreciated	<u>19,550,120</u>	<u>385,246</u>	<u>-</u>	<u>-</u>	<u>19,935,366</u>
Less accumulated depreciation for:					
Buildings	3,216,105	186,550	-	-	3,402,655
Infrastructure	1,580,145	242,443	-	-	1,822,588
Improvements	276,069	31,846	-	-	307,915
Machinery and equipment	3,116,417	182,605	-	-	3,299,022
Total accumulated depreciation	<u>8,188,736</u>	<u>643,444</u>	<u>-</u>	<u>-</u>	<u>8,832,180</u>
Total capital assets, being depreciated, net	<u>11,361,384</u>	<u>(258,198)</u>	<u>-</u>	<u>-</u>	<u>11,103,186</u>
Governmental activities capital assets, net	<u>\$ 12,017,059</u>	<u>\$ (258,198)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,758,861</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:		
General government	\$	52,991
Judicial		3,006
Public safety		134,054
Public works		364,600
Health and welfare		21,123
Culture and recreation		64,492
Conservation and development		<u>3,178</u>
Total depreciation expense - governmental activities	\$	<u><u>643,444</u></u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 50,524	\$ -	\$ -	\$ 50,524
Total capital assets, not being depreciated	<u>50,524</u>	<u>-</u>	<u>-</u>	<u>50,524</u>
Capital assets, being depreciated:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	104,256	90,000	-	194,256
Total capital assets, being depreciated	<u>192,918</u>	<u>90,000</u>	<u>-</u>	<u>282,918</u>
Less accumulated depreciation for:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	78,366	11,551	-	89,917
Total accumulated depreciation	<u>167,028</u>	<u>11,551</u>	<u>-</u>	<u>178,579</u>
Total capital assets, being depreciated, net	<u>25,890</u>	<u>78,449</u>	<u>-</u>	<u>104,339</u>
Total capital assets, net	<u><u>\$ 76,414</u></u>	<u><u>\$ 78,449</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 154,863</u></u>

Additionally, at June 30, 2016, the Macon County Department of Public Health owns equipment with a cost of \$25,716, accumulated depreciation of \$25,716, resulting in a net book value of \$0.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Note payable	\$ 110,000	\$ -	\$ (20,256)	\$ 89,744	\$ 20,964
Landfill closure/postclosure	423,612	5,507	-	429,119	-
Compensated absences	161,838	86,835	(82,944)	165,729	84,938
Governmental activities long-term liabilities	<u>\$ 695,450</u>	<u>\$ 92,342</u>	<u>\$ (103,200)</u>	<u>\$ 684,592</u>	<u>\$ 105,902</u>
Business-type Activities:					
Landfill postclosure care	\$ 487,527	\$ 6,339	\$ -	\$ 493,866	\$ 22,180
Business-type activities long-term liabilities	<u>\$ 487,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,866</u>	<u>\$ 22,180</u>

For governmental funds, compensated absences and the County's portion of the Middle Georgia Regional Solid Waste Management Authority landfill closure/postclosure care costs are liquidated by the General Fund. For business-type activities, the Macon County landfill postclosure care costs are liquidated by the Solid Waste Disposal Fund.

Note Payable. In 2016, the County entered into a note payable agreement in the amount of \$110,000 for the purchase of an ambulance and equipment. Payments, including interest rate of 3.50%, are due annually with a final maturity date of January 25, 2020.

The County's debt service requirements to maturity on the note payable are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 20,964	\$ 3,141	\$ 24,105
2019	21,699	2,407	24,106
2020	22,458	1,648	24,106
2021	24,623	862	25,485
	<u>\$ 89,744</u>	<u>\$ 8,058</u>	<u>\$ 97,802</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (CONTINUED)

Middle Georgia Regional Solid Waste Management Authority Landfill Postclosure Care:

Federal laws and regulations require the Middle Georgia Regional Solid Waste Management Authority to place a final cover on its landfill site when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The total estimated liability for landfill closure and postclosure care costs is \$1,500,416 as of June 30, 2017 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of June 30, 2017.

In 2013, the Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/postclosure care costs of the landfill based on the percentage of ownership of each county in the Authority. The County's ownership percentage is 28.6% resulting in a closure/postclosure care liability of \$429,119 at June 30, 2017. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are to be monitored through financial ratio testing on an annual basis. No commercial insurance has been purchased to satisfy financial assurance requirements.

Macon County Landfill Postclosure Care: 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 30 years after closure. An expense provision and related liability has been recognized based on the future postclosure 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 postclosure care cost is \$493,866 at June 30, 2017. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close monitor and maintain the landfill were acquired as of June 30, 2017. However, the actual cost of postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds:

Due To	Due From	Amount
General Fund	Solid Waste Disposal Fund	\$ 17,731
General Fund	Other Governmental Funds	100
2010 SPLOST Fund	Other Governmental Funds	10,365
Other Governmental Funds	General Fund	91
		\$ 28,287

The amount due to the 2010 SPLOST Fund of \$10,365 is due from the 2006 SPLOST Fund (other governmental fund) for a reimbursement to the General Fund paid by the 2010 SPLOST Fund, which should have been paid by the 2006 SPLOST Fund. The remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The County had the following interfund transfers during the fiscal year ended June 30, 2017:

Transfers In	Transfers Out	Amount
General Fund	T-SPLOST	\$ 60,000
Other Governmental Funds	General Fund	39,628
		\$ 99,628

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLAN

The 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 21. 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 \$124,240, which was 6.33% of the covered payroll of \$1,961,437. The County's total payroll was \$2,833,152. The contributions are invested in annuity and life insurance products. Employees are given the option of contributing to the funds, 51% to annuities and 49% to life insurance, or 100% to annuities.

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.

NOTE 8. 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 disasters for which the County carries commercial insurance in amounts deemed prudent by County management. Commercial insurance is carried for coverage of property, errors and omissions and professional liability.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT (CONTINUED)

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

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

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2017, the County paid \$7,515 in such dues. Membership in the Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional commissions in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from the River Valley Regional Commission, 1428 2nd Avenue, Columbus, Georgia 31901.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. JOINT VENTURES (CONTINUED)

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 office in Oglethorpe, Georgia.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The **Law Library Fund** is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials. A separate Board of Trustees has control of the Law Library funds and has authority to expend 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.

The **Drug Education Fund** is used to account for collection of additional penalties for certain drug related crimes and for expenditures of those funds for drug abuse treatment and education programs.

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

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

The **Transit System Fund** is used 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 County's General Fund.

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 **Community Development Block Grant 14h-y-096-1-5683 Fund** accounts for the revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvement Project.

The **EIP Revolving Loan Fund** is used to account for revenues received for the employment incentive program and related loans to qualifying employers in Macon County for capital expenditures.

The **Community Development Block Grant 16h-y-096-1-5684 Fund** accounts for the revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvement Project.

MACON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 346,719	\$ 1,297,347	\$ 1,644,066
Notes receivable	464,175	-	464,175
Due from other governments	-	53,138	53,138
Due from other funds	91	-	91
	<u>810,985</u>	<u>1,350,485</u>	<u>2,161,470</u>
Total assets	<u>\$ 810,985</u>	<u>\$ 1,350,485</u>	<u>\$ 2,161,470</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 272	\$ 25,403	\$ 25,675
Due to other funds	100	10,365	10,465
	<u>372</u>	<u>35,768</u>	<u>36,140</u>
Total liabilities	<u>372</u>	<u>35,768</u>	<u>36,140</u>
FUND BALANCES			
Nonspendable - long-term notes receivable	464,175	-	464,175
Restricted for:			
Capital improvements	-	1,314,717	1,314,717
Judicial programs	17,387	-	17,387
Public safety	91,310	-	91,310
Conservation and development	144,638	-	144,638
Health and welfare	93,103	-	93,103
Total fund balances	<u>810,613</u>	<u>1,314,717</u>	<u>2,125,330</u>
Total liabilities and fund balances	<u>\$ 810,985</u>	<u>\$ 1,350,485</u>	<u>\$ 2,161,470</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 19,000	\$ 1,347,918	\$ 1,366,918
Charges for services	119	-	119
Fines and forfeitures	42,079	-	42,079
Investment income	8,718	7	8,725
Total revenues	69,916	1,347,925	1,417,841
Expenditures:			
Intergovernmental	-	316,677	316,677
Current:			
Judicial	2,249	-	2,249
Health and welfare	44,747	-	44,747
Conservation and development	84,982	-	84,982
Capital outlay	-	182,461	182,461
Total expenditures	131,978	499,138	631,116
Other financing sources (uses):			
Transfers in	39,628	-	39,628
Total other financing sources (uses)	39,628	-	39,628
Net change in fund balances	(22,434)	848,787	826,353
Fund balances, beginning of year	833,047	465,930	1,298,977
Fund balances, end of year	\$ 810,613	\$ 1,314,717	\$ 2,125,330

MACON COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
ASSETS				
Cash and cash equivalents	\$ 17,659	\$ 93,103	\$ 89,351	\$ 1,868
Notes receivable	-	-	-	-
Due from other funds	-	-	91	-
Total assets	<u>\$ 17,659</u>	<u>\$ 93,103</u>	<u>\$ 89,442</u>	<u>\$ 1,868</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 272	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>272</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable - long-term notes receivable	-	-	-	-
Restricted for:				
Judicial programs	17,387	-	-	-
Public safety	-	-	89,442	1,868
Conservation and development	-	-	-	-
Health and welfare	-	93,103	-	-
Total fund balances	<u>17,387</u>	<u>93,103</u>	<u>89,442</u>	<u>1,868</u>
Total liabilities and fund balances	<u>\$ 17,659</u>	<u>\$ 93,103</u>	<u>\$ 89,442</u>	<u>\$ 1,868</u>

Transit System	Flood Disaster Loan	CDBG 14h-y-096 1-5683	EIP Revolving Loan	CDBG 16h-y-096 1-5684	Total Nonmajor Governmental Funds
\$ -	\$ 91,350	\$ 4,251	\$ 48,519	\$ 618	\$ 346,719
-	10,599	-	453,576	-	464,175
-	-	-	-	-	91
<u>\$ -</u>	<u>\$ 101,949</u>	<u>\$ 4,251</u>	<u>\$ 502,095</u>	<u>\$ 618</u>	<u>\$ 810,985</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272
-	-	-	-	100	100
-	-	-	-	100	372
-	10,599	-	453,576	-	464,175
-	-	-	-	-	17,387
-	-	-	-	-	91,310
-	91,350	4,251	48,519	518	144,638
-	-	-	-	-	93,103
-	101,949	4,251	502,095	518	810,613
<u>\$ -</u>	<u>\$ 101,949</u>	<u>\$ 4,251</u>	<u>\$ 502,095</u>	<u>\$ 618</u>	<u>\$ 810,985</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	3,661	10,693	27,725	-
Investment income	-	-	-	-
Total revenues	<u>3,661</u>	<u>10,693</u>	<u>27,725</u>	<u>-</u>
Expenditures:				
Current:				
Judicial	2,249	-	-	-
Health and welfare	-	5,000	-	-
Conservation and development	-	-	-	-
Total expenditures	<u>2,249</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,412	5,693	27,725	-
Fund balances, beginning of year	<u>15,975</u>	<u>87,410</u>	<u>61,717</u>	<u>1,868</u>
Fund balances, end of year	<u>\$ 17,387</u>	<u>\$ 93,103</u>	<u>\$ 89,442</u>	<u>\$ 1,868</u>

Transit System	Flood Disaster Loan	CDBG 14h-y-096 1-5683	EIP Revolving Loan	CDBG 16h-y-096 1-5684	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 14,000	\$ -	\$ 5,000	\$ 19,000
119	-	-	-	-	119
-	-	-	-	-	42,079
-	-	-	8,718	-	8,718
<u>119</u>	<u>-</u>	<u>14,000</u>	<u>8,718</u>	<u>5,000</u>	<u>69,916</u>
-	-	-	-	-	2,249
39,747	-	-	-	-	44,747
-	70,000	10,500	-	4,482	84,982
<u>39,747</u>	<u>70,000</u>	<u>10,500</u>	<u>-</u>	<u>4,482</u>	<u>131,978</u>
39,628	-	-	-	-	39,628
<u>39,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,628</u>
-	(70,000)	3,500	8,718	518	(22,434)
-	171,949	751	493,377	-	833,047
<u>\$ -</u>	<u>\$ 101,949</u>	<u>\$ 4,251</u>	<u>\$ 502,095</u>	<u>\$ 518</u>	<u>\$ 810,613</u>

MACON COUNTY, GEORGIA

**NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Law Library			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 3,661	\$ (339)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>3,661</u>	<u>(339)</u>
Expenditures:				
Current:				
Judicial	4,000	4,000	2,249	1,751
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,249</u>	<u>1,751</u>
Net change in fund balance	-	-	1,412	1,412
Fund balance, beginning of year	<u>15,975</u>	<u>15,975</u>	<u>15,975</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,975</u>	<u>\$ 15,975</u>	<u>\$ 17,387</u>	<u>\$ 1,412</u>

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

MACON COUNTY, GEORGIA

**NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Drug Education			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,693	\$ 693
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,693</u>	<u>693</u>
Expenditures:				
Current:				
Health and welfare	10,000	10,000	5,000	5,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Net change in fund balance	-	-	5,693	5,693
Fund balance, beginning of year	<u>87,410</u>	<u>87,410</u>	<u>87,410</u>	<u>-</u>
Fund balance, end of year	<u>\$ 87,410</u>	<u>\$ 87,410</u>	<u>\$ 93,103</u>	<u>\$ 5,693</u>

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Jail Fines			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 28,000	\$ 28,000	\$ 27,725	\$ (275)
Total revenues	28,000	28,000	27,725	(275)
Expenditures:				
Current:				
Public safety	28,000	28,000	-	28,000
Total expenditures	28,000	28,000	-	28,000
Net change in fund balance	-	-	27,725	27,725
Fund balance, beginning of year	61,717	61,717	61,717	-
Fund balance, end of year	\$ 61,717	\$ 61,717	\$ 89,442	\$ 27,725

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Federal Forfeited Property			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	1,868	1,868	1,868	-
Fund balance, end of year	\$ 1,868	\$ 1,868	\$ 1,868	\$ -

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Transit System			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	119	119
Total revenues	-	-	119	119
Expenditures:				
Current:				
Health and welfare	56,543	56,543	39,747	16,796
Total expenditures	56,543	56,543	39,747	16,796
Deficiency of revenues over expenditures	(56,543)	(56,543)	(39,628)	16,915
Other financing sources:				
Transfers in	56,543	56,543	39,628	(16,915)
Total other financing sources	56,543	56,543	39,628	(16,915)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

MACON COUNTY, GEORGIA

**NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Flood Disaster Loan			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Conservation and development	70,000	70,000	70,000	-
Total expenditures	70,000	70,000	70,000	-
Net change in fund balance	(70,000)	(70,000)	(70,000)	-
Fund balance, beginning of year	171,949	171,949	171,949	-
Fund balance, end of year	\$ 101,949	\$ 101,949	\$ 101,949	\$ -

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

MACON COUNTY, GEORGIA

**NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	CDBG 14h-y-096-1-5683			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,000	\$ 14,000	\$ 14,000	\$ -
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Expenditures:				
Current:				
Conservation and development	14,000	14,000	10,500	3,500
Total expenditures	<u>14,000</u>	<u>14,000</u>	<u>10,500</u>	<u>3,500</u>
Net change in fund balance	-	-	3,500	3,500
Fund balance, beginning of year	<u>751</u>	<u>751</u>	<u>751</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 751</u></u>	<u><u>\$ 751</u></u>	<u><u>\$ 4,251</u></u>	<u><u>\$ 3,500</u></u>

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	EIP Revolving Loan			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Investment income	-	-	8,718	8,718
Total revenues	10,000	10,000	8,718	(1,282)
Expenditures:				
Current:				
Conservation and development	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balance	-	-	8,718	8,718
Fund balance, beginning of year	493,377	493,377	493,377	-
Fund balance, end of year	\$ 493,377	\$ 493,377	\$ 502,095	\$ 8,718

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

MACON COUNTY, GEORGIA

**NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	CDBG 16h-y-096-1-5684			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:				
Current:				
Conservation and development	5,000	5,000	4,482	518
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,482</u>	<u>518</u>
Net change in fund balance	-	-	518	518
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518</u>	<u>\$ 518</u>

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

The **Whitewater Park, Administration Building and Infrastructure Fund** is used to account for costs associated with improvements to the Whitewater Creek Park, improvements to the County's administration building and improvements to the County's roads, streets, drainage and bridges. These improvements are financed by a special 1% sales tax.

The **2006 Capital Project Fund** is used to account for costs associated with improvements to the County's jails, 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 1% sales tax.

The **Local Maintenance and Improvement Grant (LMIG) Fund** is used to account for costs associated with transportation improvement projects including patching, widening turn lanes, rehabilitation, intersections, traffic signals, safety upgrades, culvert/bridge repair, and sidewalk/bike lane improvements that are within the roadway right of way.

The **2016 Capital Project Fund** is used to account for costs associated with Capital Building and Technology improvements to the County's courthouse, Health Department, Government offices, recreation buildings, and county jail. Also for the equipment purchase for the public works department, sheriff's department and emergency management services. These improvements are financed by a special 1% sales tax.

MACON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2017

	Whitewater Administration Building and Infrastructure	2006 SPLOST	2016 SPLOST	LMIG	Total Nonmajor Capital Project Funds
ASSETS					
Cash and cash equivalents	\$ 73,784	\$ 124,850	\$ 364,688	\$ 734,025	\$ 1,297,347
Due from other governments	-	-	53,138	-	53,138
	<u>73,784</u>	<u>124,850</u>	<u>364,688</u>	<u>734,025</u>	<u>1,297,347</u>
Total assets	<u>\$ 73,784</u>	<u>\$ 124,850</u>	<u>\$ 417,826</u>	<u>\$ 734,025</u>	<u>\$ 1,350,485</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 25,403	\$ -	\$ 25,403
Due to other funds	-	10,365	-	-	10,365
	<u>-</u>	<u>10,365</u>	<u>-</u>	<u>-</u>	<u>10,365</u>
Total liabilities	<u>-</u>	<u>10,365</u>	<u>25,403</u>	<u>-</u>	<u>35,768</u>
FUND BALANCES					
Restricted for capital improvements	<u>73,784</u>	<u>114,485</u>	<u>392,423</u>	<u>734,025</u>	<u>1,314,717</u>
Total fund balances	<u>73,784</u>	<u>114,485</u>	<u>392,423</u>	<u>734,025</u>	<u>1,314,717</u>
Total liabilities and fund balances	<u>\$ 73,784</u>	<u>\$ 124,850</u>	<u>\$ 417,826</u>	<u>\$ 734,025</u>	<u>\$ 1,350,485</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Whitewater Administration Building and Infrastructure	2006 SPLOST	2016 SPLOST	LMIG	Total Nonmajor Capital Project Funds
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 746,238	\$ 601,680	\$ 1,347,918
Investment income	-	-	7	-	7
Total revenues	<u>-</u>	<u>-</u>	<u>746,245</u>	<u>601,680</u>	<u>1,347,925</u>
Expenditures:					
Intergovernmental	-	-	316,677	-	316,677
Capital outlay:					
Public safety	-	-	11,645	-	11,645
Highways and streets	-	11,119	25,500	134,197	170,816
Total expenditures	<u>-</u>	<u>11,119</u>	<u>353,822</u>	<u>134,197</u>	<u>499,138</u>
Net change in fund balances	-	(11,119)	392,423	467,483	848,787
Fund balances, beginning of year	<u>73,784</u>	<u>125,604</u>	<u>-</u>	<u>266,542</u>	<u>465,930</u>
Fund balances, end of year	<u>\$ 73,784</u>	<u>\$ 114,485</u>	<u>\$ 392,423</u>	<u>\$ 734,025</u>	<u>\$ 1,314,717</u>

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Project</u>	Estimated Cost		Expenditures		
	Original and Current	Prior Years	Current Year	Total	
<u>2003 Referendum</u>					
Road improvements	\$ 3,349,498	\$ 3,349,498	\$ -	\$ 3,349,498	
Whitewater Creek Park	360,000	360,000	-	360,000	
Administrative building	250,000	250,000	-	250,000	
Road, street, drainage and bridge improvements	3,100,000	3,059,090	-	3,059,090	
Intergovernmental					
City of Ideal	175,000	175,000	-	175,000	
City of Marshallville	460,000	460,000	-	460,000	
City of Montezuma	1,500,000	1,500,000	-	1,500,000	
City of Oglethorpe	410,000	410,000	-	410,000	
	\$ 9,604,498	\$ 9,563,588	\$ -	\$ 9,563,588	
 <u>2006 Referendum</u>					
Jail renovations and improvements	\$ 500,000	\$ 1,002,604	\$ -	\$ 1,002,604	
Road, street, drainage and bridge improvements	1,383,000	788,171	2,790	790,961	
Public works building and recreation projects	275,000	644,847	-	644,847	
Fire stations	842,000	742,050	8,329	750,379	
Intergovernmental					
City of Ideal	185,000	200,649	-	200,649	
City of Marshallville	476,398	517,436	-	517,436	
City of Montezuma	1,426,000	1,564,789	-	1,564,789	
City of Oglethorpe	428,300	469,822	-	469,822	
	\$ 5,515,698	\$ 5,930,368	\$ 11,119	\$ 5,941,487	
 <u>2010 Referendum</u>					
Public safety, public works, recreation, and Tax Assessor capital equipment purchases	\$ 1,447,000	\$ 994,329	\$ 202,637	\$ 1,196,966	
Annex building, health dept., courthouse, EMA, literacy center, and Govt office building capital improvements	474,152	312,184	-	312,184	
Road improvements	1,421,152	-	-	-	
Aquatic recreation facility	500,000	384,562	61,091	445,653	
Intergovernmental					
City of Ideal	283,416	235,122	11,925	247,047	
City of Marshallville	730,876	606,333	30,753	637,086	
City of Montezuma	2,400,010	1,815,166	92,066	1,907,232	
City of Oglethorpe	656,942	544,997	27,642	572,639	
	\$ 7,913,548	\$ 4,892,693	\$ 426,114	\$ 5,318,807	

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Project</u>	Estimated Cost	Expenditures		
	Original and Current	Prior Years	Current Year	Total
<u>2016 Referendum</u>				
Public works dept., sheriff's dept., Emergency Medical Service, fire dept., recreation dept., public safety, Whitewater Creek Park, Commissioner's office, and Board of Elections capital equipment purchases	\$ 1,230,000	\$ -	\$ 11,645	11,645
Courthouse annex building, health department EMA building, Government offices, recreation building, Whitewater Creek Park, county jail, public works, E911	706,600	-	25,500	25,500
Road improvements	1,355,000	-	-	-
Recreational Facility	600,000	-	-	-
Intergovernmental				
City of Ideal	227,000	-	23,496	23,496
City of Marshallville	657,000	-	68,063	68,063
City of Montezuma	1,571,551	-	162,670	162,670
City of Oglethorpe	318,285	-	62,448	62,448
	<u>\$ 6,665,436</u>	<u>\$ -</u>	<u>\$ 353,822</u>	<u>\$ 353,822</u>

NOTE: The Prior Years expenditures column for the 2003 and 2010 Referendums have been corrected to accurately reflect the expenditures of each project.

AGENCY FUNDS

Sheriff – This fund is used to account for collection of fees, proceeds from judicial sales, and cash bonds, which are disbursed to other agencies, the County, and individuals.

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Clerk of Superior Court – This fund is used to account for fines, fees and other moneys collected by the Clerk of Superior Court and remitted to other parties in accordance with court orders and state law.

Probate Court – This fund is used to account for fines, fees and other moneys collected by the Probate Court and remitted to other parties in accordance with court orders and state law.

Magistrate Court – This fund is used to account for fines, fees and other moneys collected by the Magistrate Court and remitted to other parties in accordance with court orders and state law.

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS JUNE 30, 2017

	<u>Sheriff</u>	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,552	\$ 108,424	\$ 386,206	\$ 10,757
Total assets	<u>\$ 11,552</u>	<u>\$ 108,424</u>	<u>\$ 386,206</u>	<u>\$ 10,757</u>
 <u>LIABILITIES</u>				
Due to other taxing units	\$ -	\$ 62,068	\$ -	\$ -
Due to state	318	39,253	49	1,128
Retirement payable	-	-	335	290
Funds held in escrow	-	-	385,822	-
Due to others	11,234	7,103	-	9,339
Total liabilities	<u>\$ 11,552</u>	<u>\$ 108,424</u>	<u>\$ 386,206</u>	<u>\$ 10,757</u>

Magistrate Court	Total
\$ 11,687	\$ 528,626
<u>\$ 11,687</u>	<u>\$ 528,626</u>

\$ -	\$ 62,068
810	41,558
216	841
10,332	396,154
329	28,005
<u>\$ 11,687</u>	<u>\$ 528,626</u>

MACON COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Sheriff	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,626	\$ 55,631	\$ 50,705	\$ 11,552
Total assets	<u>\$ 6,626</u>	<u>\$ 55,631</u>	<u>\$ 50,705</u>	<u>\$ 11,552</u>
<u>LIABILITIES</u>				
Due to state	\$ 637	\$ 1,531	\$ 1,850	\$ 318
Due to others	5,989	54,100	48,855	11,234
Total liabilities	<u>\$ 6,626</u>	<u>\$ 55,631</u>	<u>\$ 50,705</u>	<u>\$ 11,552</u>
<u>Tax Commissioner</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 149,370	\$ 7,350,513	\$ 7,391,459	\$ 108,424
Total assets	<u>\$ 149,370</u>	<u>\$ 7,350,513</u>	<u>\$ 7,391,459</u>	<u>\$ 108,424</u>
<u>LIABILITIES</u>				
Due to other taxing units				
Macon County School Board	\$ 79,886	\$ 6,271,814	\$ 6,322,239	\$ 29,461
City of Ideal	135	9,029	8,681	483
City of Oglethorpe	715	28,895	27,508	2,102
City of Montezuma	5,994	84,018	84,693	5,319
City of Marshallville	775	79,390	78,277	1,888
Due to state	59,686	858,669	856,287	62,068
Due to others	2,179	18,698	13,774	7,103
Total liabilities	<u>\$ 149,370</u>	<u>\$ 7,350,513</u>	<u>\$ 7,391,459</u>	<u>\$ 108,424</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Clerk of Superior Court	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>ASSETS</u>				
Cash and cash equivalents	\$ 547,639	\$ 236,909	\$ 398,342	\$ 386,206
Total assets	\$ 547,639	\$ 236,909	\$ 398,342	\$ 386,206
<u>LIABILITIES</u>				
Due to state	\$ 650	\$ 30	\$ 631	\$ 49
Retirement payable Clerk's, Peace Officers' and Sheriff's	292	206	163	335
Funds held in escrow	546,697	236,673	397,548	385,822
Total liabilities	\$ 547,639	\$ 236,909	\$ 398,342	\$ 386,206
<u>Probate Court</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,731	\$ 23,181	\$ 24,155	\$ 10,757
Total assets	\$ 11,731	\$ 23,181	\$ 24,155	\$ 10,757
<u>LIABILITIES</u>				
Due to state	\$ 948	\$ 2,430	\$ 2,250	\$ 1,128
Retirement payable	256	625	591	290
Due to others	10,527	20,126	21,314	9,339
Total liabilities	\$ 11,731	\$ 23,181	\$ 24,155	\$ 10,757

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

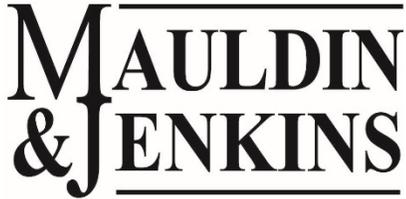
Magistrate Court	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,021	\$ 109,325	\$ 99,659	\$ 11,687
Total assets	<u>\$ 2,021</u>	<u>\$ 109,325</u>	<u>\$ 99,659</u>	<u>\$ 11,687</u>
<u>LIABILITIES</u>				
Due to state	\$ 342	\$ 7,577	\$ 7,109	\$ 810
Retirement payable	261	2,021	2,066	216
Funds held in escrow	1,089	96,650	87,407	10,332
Due to others	329	3,077	3,077	329
Total liabilities	<u>\$ 2,021</u>	<u>\$ 109,325</u>	<u>\$ 99,659</u>	<u>\$ 11,687</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total All Agency Funds	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>ASSETS</u>				
Cash and cash equivalents	\$ 717,387	\$ 7,775,559	\$ 7,964,320	\$ 528,626
Total assets	\$ 717,387	\$ 7,775,559	\$ 7,964,320	\$ 528,626
<u>LIABILITIES</u>				
Due to other taxing units	\$ 87,505	\$ 6,473,146	\$ 6,521,398	\$ 39,253
Due to state	62,263	870,237	868,127	64,373
Retirement payable	809	2,852	2,820	841
Funds held in escrow	547,786	333,323	484,955	396,154
Due to others	19,024	96,001	87,020	28,005
Total liabilities	\$ 717,387	\$ 7,775,559	\$ 7,964,320	\$ 528,626

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2017, and the related notes to the financial statements, which collectively comprise Macon County, Georgia's basic financial statements, and have issued our report thereon dated November 14, 2017. Our report includes a reference to other auditors who audited the financial statements of the Macon County Department of Public Health, as described in our report on Macon County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2017-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as 2017-001 to be a significant deficiency.

Compliance and Other Matters

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

Macon County, Georgia's Responses to Findings

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

Purpose of this Report

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

Macon, Georgia
November 14, 2017

Mauldin & Jenkins, LLC

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

There was not an audit of major federal award programs as of June 30, 2017 due to the total amount expended being less than \$750,000.

MACON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017- 001 Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in various areas of County operations, including the offices of elected officials.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: The duties of recording, distribution, approving, writing and signing of checks, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials: We concur. The offices will continuously review and monitor their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

2017- 002 Accounting Process – Development Authority of Macon County (Component Unit)

Criteria: The Development Authority of Macon County (the Authority) is a proprietary type entity and, therefore, should be maintaining its general ledger on the accrual basis of accounting and recording all audit adjustments so that their general ledger is in agreement with the final audited financial statements.

Condition: The Development Authority of Macon County is essentially maintains its general ledger on the cash basis and had not yet adjusted its records to the accrual basis at year-end for financial reporting purposes. Accounts receivable, notes receivable, accounts payable, and capital assets were not properly recorded in the Authority's general ledger at June 30, 2017. Additionally, prior year audit entries were not posted to the Authority's general ledger.

Context: We addressed this matter with personnel of the Authority and the appropriate audit adjustments needed at June 30, 2017 were determined and recorded.

MACON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017- 002 Accounting Process – Development Authority of Macon County (Component Unit) (continued)

Effect: Adjustment were required to be recorded as follows:

- Adjustments to record prior year audit entries resulted in an increase to accumulated depreciation of \$20,852; an increase in notes receivable of \$74,748; a decrease to accounts payable of \$1,040; and a decrease to equity of \$54,936.
- An adjustment of \$14,823 was necessary to accurately record the payment received on a note receivable.
- An adjustment of \$2,000 was required to record accounts receivable and contract service revenue at June 30, 2017.
- An adjustment of \$590 was required to properly record accounts receivable at June 30, 2017.
- An adjustment of \$90,000 was required to properly account for the railroad spur as a capital asset.
- An adjustment of \$11,551 was necessary to record current year depreciation on the Authority's capital assets.

Recommendation: We recommend management of the Authority ensure that all entries necessary to report the Authority's finances on the accrual basis of accounting be recorded prior to audit fieldwork, and all adjusting entries made during the audit are recorded each year at the close of the annual audit.

Views of Responsible Officials: We concur. Management will ensure the books and records of the Authority are adjusted to the accrual basis of accounting prior to audit fieldwork and all audit entries are recorded in a timely manner.

MACON COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATUS OF PRIOR YEAR AUDIT FINDINGS

2016 - 001 Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties did not exist among recording, distribution, or reconciliation of cash accounts and other operational functions in various areas of County operations, including the offices of elected officials.

Auditee Response/Status: Recurring. See Finding 2017 – 001.

MACON COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2017

2017-001 Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Regina McDuffie, County Manager

Corrective Action Plan: The offices will continuously monitor and review their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business. We will incorporate periodic reviews by County Management officials to reinforce compliance. However, due to the limited number of County personnel available to perform these duties, complete segregation of duties will be difficult.

Anticipated Completion Date: In future years

2017-002 Accounting Process – Development Authority of Macon County

Name of the Contact Person Responsible for the Corrective Action Plan: Regina McDuffie, County Manager

Corrective Action Plan: Prior to fieldwork for the FY2018 audit, Authority management will ensure the books and records are adjusted to the accrual basis of accounting and all audit entries from FY2017 have been recorded.

Anticipated Completion Date: June 30, 2018

MACON COUNTY, GEORGIA

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
12h-y-096-1-5495
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Program Activity</u>	<u>Activity Number</u>	<u>Budget</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Rehabilitation	H-14A-01	\$ 209,415	\$ 258,650	\$ -	\$ 258,650
Reconstruction	H-14A-02	232,936	174,697	-	174,697
Administration	A-21A-00	35,000	36,020	-	36,020
Contingencies	C-022-00	22,649	-	-	-
Totals		<u>\$ 500,000</u>	<u>\$ 469,367</u>	<u>\$ -</u>	<u>\$ 469,367</u>

Note: During the current year, the County returned the balance of the remaining funds on hand of \$3,451.

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

14h-y-096-1-5683

PROJECT COST SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Program Activity</u>	<u>Activity Number</u>	<u>Revised Budget</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Clearance	H-004-00	\$ 2,261	\$ -	\$ -	\$ -
Rehabilitation	H-14A-01	94,516	69,710	10,500	80,210
Reconstruction	H-14A-02	370,973	354,482	-	354,482
Administration	A-21A-00	32,250	32,250	-	32,250
Totals		<u>\$ 500,000</u>	<u>\$ 456,442</u>	<u>\$ 10,500</u>	<u>\$ 466,942</u>

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

16h-y-096-1-5684

PROJECT COST SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Program Activity</u>	<u>Activity Number</u>	<u>Revised Budget</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Acquisition	P-001-01	\$ 1,000	\$ -	\$ -	\$ -
Clearance	H-004-00	2,200	-	-	-
Rehabilitation	H-14A-01	270,121	-	4,400	4,400
Reconstruction	H-14A-02	161,774	-	-	-
Administration	A-21A-00	35,000	-	-	-
Contingencies	C-022-00	29,905	-	-	-
Totals		<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 4,400</u>	<u>\$ 4,400</u>