

MACON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2018

MACON COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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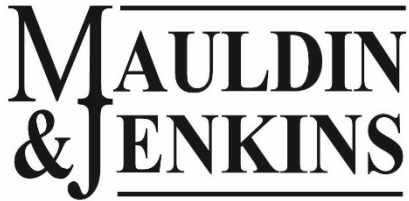
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FINANCIAL SECTION



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, 2018, 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 \$371,972 as of June 30, 2018, and total revenues of \$373,413 for the year ended June 30, 2018. 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, 2018, 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.

Emphasis of Matter

As discussed in Note 11, the Macon County Department of Public Health implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changes the accounting for the Health Department's net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (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 December 14, 2018, 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
December 14, 2018

MACON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Our discussion and analysis of Macon County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2018. 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, 2018

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 and 2016 SPLOST Funds 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, 2018

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 2018, Macon County's governmental funds reported combined fund balances totaling \$9,063,467; an increase of \$496,137. Approximately 37.8 percent (\$3.4 million) of the combined fund balances for governmental funds is available for spending. The remaining 62.2 percent (\$5.6 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 9,555,273	\$ 9,069,873	\$ 591,976	\$ 626,127	\$ 10,147,249	\$ 9,696,000
Capital Assets	11,554,369	11,758,861	-	-	11,554,369	11,758,861
Total Assets	21,109,642	20,828,734	591,976	626,127	21,701,618	21,454,861
					-	
Long-term liabilities	566,396	684,592	502,755	493,866	1,069,151	1,178,458
Other liabilities	591,126	502,543	-	-	591,126	502,543
Total liabilities	1,157,522	1,187,135	502,755	493,866	1,660,277	1,681,001
Net Assets:						
Invested in capital assets, net of related debt	11,485,590	11,669,117	-	-	11,485,590	11,669,117
Restricted	5,203,620	4,624,624	-	-	5,203,620	4,624,624
Unrestricted	3,262,910	3,347,858	89,221	132,261	3,352,131	3,480,119
Total Net Assets	\$ 19,952,120	\$ 19,641,599	\$ 89,221	\$ 132,261	\$ 20,041,341	\$ 19,773,860

MACON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,308,231	\$ 1,355,576	\$ -	\$ -	\$ 1,308,231	\$ 1,355,576
Operating grants and contributions	9,151	7,526	-	-	9,151	7,526
Capital grants and contributions	725,687	1,057,835	-	-	725,687	1,057,835
General revenues:						
Property Taxes	4,208,750	4,148,905	-	-	4,208,750	4,148,905
Sales taxes	2,246,022	2,126,828	-	-	2,246,022	2,126,828
Other taxes	558,441	542,903	-	-	558,441	542,903
Unrestricted investment earnings	10,583	9,211	2,593	2,542	13,176	11,753
Gain on sale of capital assets	41,500	-	-	-	41,500	-
Total Revenues	9,108,365	9,248,784	2,593	2542	9,110,958	9,251,326
Expenses:						
General Government	1,458,064	1,322,168	-	-	1,458,064	1,322,168
Judicial	573,846	705,771	-	-	573,846	705,771
Public Safety	1,998,477	1,979,532	-	-	1,998,477	1,979,532
Public Works	2,767,729	2,442,078	-	-	2,767,729	2,442,078
Health and Welfare	1,141,009	1,232,053	-	-	1,141,009	1,232,053
Culture and recreation	464,578	555,762	-	-	464,578	555,762
Conservation and Development	297,847	215,239	-	-	297,847	215,239
Economic Development	93,153	93,228	-	-	93,153	93,228
Solid Waste Disposal	-	-	45,633	24,068	45,633	24,068
Interest in long term debt	3,141	3,850	-	-	3,141	3,850
Total expenditures	8,797,844	8,549,681	45,633	24,068	8,843,477	8,573,749
Increase(decrease) in net assets	310,521	699,103	(43,040)	(21,526)	267,481	677,577
Net assets-beginning	19,641,599	18,942,496	132,261	153,787	19,773,860	19,096,283
Net assets-ending	\$ 19,952,120	\$ 19,641,599	\$ 89,221	\$ 132,261	\$ 20,041,341	\$ 19,773,860

MACON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 2018, total assets were \$3.9 million and total liabilities were \$0.49 million. The ending fund balance of \$3.4 million represents 51.6% 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 2018, \$9.066 million, exceeded the total expenditures of \$8.612 million by \$454,637. This included all governmental funds.

During Fiscal Year 2018, General Fund Revenues for the year, \$6.638 million, were greater than the budget by 1.7%. Taxes comprised 79.7% of the General Fund's revenue stream in Fiscal Year 2018. Total General Fund Expenditures for Fiscal Year 2018 were \$6.638 million, 99.9% of the final amended budget.

During fiscal Year 2018, there were no funds transferred in or out of the General Fund. Funds budgeted to be transferred in were not needed. Other financing sources included \$41,500 which was generated from the sale of capital assets.

2010 SPLOST 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 2018 were only \$94 from investment income and expenditures were \$230,844, resulting in an end of year fund balance of \$951,958. No tax revenue was received.

2016 SPLOST Fund is a major capital project fund used to account for the use of Special Purpose Local Option Sales Tax (SPLOST) levied in 2016 for the purpose of maintaining and improving the County's road network, technology upgrades in various County offices, to make facility and building improvements to the Jail, Courthouse, Whitewater Creek Park and Recreation, capital equipment and vehicle purchases for Public Works Department, Sheriff's Department, Emergency Medical Service, Fire Department, Recreation Department, Whitewater Creek Park and Maintenance Shop office and to construct a recreation facility. Revenues for Fiscal Year 2018 were \$1.1 million and expenditures including intergovernmental transfers were \$731,637, resulting in an end of year fund balance of \$760,668.

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 percent (75%) of the funds generated go directly to the state for two (2) major projects for the County. The remaining twenty-five percent (25%) is accounted for in this fund by the County and is designated for transportation related expenditures including improvements to roads, bridges, road department operating costs and the purchase of equipment.

MACON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Revenues for Fiscal Year 2018 were \$618,759; expenditures were \$318,727, resulting in an end of year fund balance of \$2.1 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 2018 were \$709,897 and expenditures were \$692,257 resulting in an end of year fund balance of \$1.7 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 \$628,720 and total liabilities were \$539,499 at the end of Fiscal Year 2018. Expenses from post-closure costs resulted in a \$43,040 decrease to the net position of the fund.

Capital Assets and Debt Administration

Capital Assets - In Fiscal Year 2018, investments in capital assets for governmental activities decreased \$183,159, (net of accumulated depreciation). At year end, the closed landfill had no capital assets. Governmental activities capital investment amounts to \$11.4 million. During the year, the County made expenditures of \$1.3 million 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 Fiscal Year 2016. 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 2018 is \$1.17 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, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	\$ 8,346,033	\$ -	\$ 8,346,033	\$ 160,280	\$ 272,386
Investments	375,000	628,720	1,003,720	-	-
Taxes receivable	58,296	-	58,296	-	-
Accounts receivable, net of allowances	12,181	-	12,181	-	-
Notes receivable	433,449	-	433,449	81,355	-
Internal balances	36,744	(36,744)	-	-	-
Due from other governments	293,570	-	293,570	750	39,524
Post-employment benefit	-	-	-	-	19,446
Capital assets, non-depreciable	634,342	-	634,342	50,524	-
Capital assets, depreciable, net of accumulated depreciation	10,920,027	-	10,920,027	91,663	-
Total assets	21,109,642	591,976	21,701,618	384,572	331,356
DEFERRED OUTFLOWS OF RESOURCES					
Pension items	-	-	-	-	40,616
LIABILITIES					
Accounts payable	196,275	-	196,275	1,015	18,432
Accrued salaries	195,531	-	195,531	1,149	-
Due to other governments	100,000	-	100,000	-	-
Compensated absences due within one year	77,621	-	77,621	-	-
Compensated absences due in more than one year	82,473	-	82,473	-	17,403
Net pension liability	-	-	-	-	193,523
Note payable due within one year	21,699	-	21,699	-	-
Note payable due in more than one year	47,080	-	47,080	-	-
Accrued closure/post-closure care costs due within one year	-	22,180	22,180	-	-
Accrued closure/post-closure care costs due in more than one year	436,843	480,575	917,418	-	-
Total liabilities	1,157,522	502,755	1,660,277	2,164	229,358
DEFERRED INFLOWS OF RESOURCES					
Pension and OPEB items	-	-	-	-	4,181
NET POSITION					
Net investment in capital assets	11,485,590	-	11,485,590	142,187	-
Restricted for:					
Capital improvements	4,790,501	-	4,790,501	-	-
Judicial programs	13,077	-	13,077	-	-
Public safety	123,475	-	123,475	-	-
Health and welfare	95,645	-	95,645	-	-
Conservation and development Programs	603,415	-	603,415	-	-
Unrestricted	2,840,417	89,221	2,929,638	240,221	42,516
Total net position	\$ 19,952,120	\$ 89,221	\$ 20,041,341	\$ 382,408	\$ 138,433

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

MACON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,458,064	\$ 270,047	\$ 1,181	\$ 63,581
Judicial	573,846	182,274	-	-
Public safety	1,998,477	534,991	7,970	-
Public works	2,710,418	206,762	-	515,558
Health and welfare	1,198,320	-	-	-
Culture and recreation	464,578	-	-	146,548
Conservation and development	297,847	114,157	-	-
Economic development	93,153	-	-	-
Interest on long-term debt	3,141	-	-	-
Total governmental activities	8,797,844	1,308,231	9,151	725,687
Business-type activities:				
Solid waste disposal	45,633	-	-	-
Total business-type activities	45,633	-	-	-
Total primary government	\$ 8,843,477	\$ 1,308,231	\$ 9,151	\$ 725,687
Component units:				
Development Authority	\$ 119,796	\$ 24,000	\$ 99,292	\$ -
Health Department	330,717	85,071	288,342	-
Total component units	\$ 450,513	\$ 109,071	\$ 387,634	\$ -
General revenues:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Insurance premium taxes				
Franchise taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position, beginning of year, restated				
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
\$ (1,123,255)	\$ -	\$ (1,123,255)	\$ -	\$ -
(391,572)	-	(391,572)	-	-
(1,455,516)	-	(1,455,516)	-	-
(1,988,098)	-	(1,988,098)	-	-
(1,198,320)	-	(1,198,320)	-	-
(318,030)	-	(318,030)	-	-
(183,690)	-	(183,690)	-	-
(93,153)	-	(93,153)	-	-
(3,141)	-	(3,141)	-	-
<u>(6,754,775)</u>	<u>-</u>	<u>(6,754,775)</u>	<u>-</u>	<u>-</u>
-	(45,633)	(45,633)	-	-
-	(45,633)	(45,633)	-	-
<u>(6,754,775)</u>	<u>(45,633)</u>	<u>(6,800,408)</u>	<u>-</u>	<u>-</u>
-	-	-	3,496	-
-	-	-	-	42,696
-	-	-	<u>3,496</u>	<u>42,696</u>
4,208,750	-	4,208,750	-	-
2,246,022	-	2,246,022	-	-
36,378	-	36,378	-	-
478,815	-	478,815	-	-
92	-	92	-	-
43,156	-	43,156	-	-
10,583	2,593	13,176	3,498	-
41,500	-	41,500	-	-
<u>7,065,296</u>	<u>2,593</u>	<u>7,067,889</u>	<u>3,498</u>	<u>-</u>
310,521	(43,040)	267,481	6,994	42,696
19,641,599	132,261	19,773,860	375,414	95,737
<u>\$ 19,952,120</u>	<u>\$ 89,221</u>	<u>\$ 20,041,341</u>	<u>\$ 382,408</u>	<u>\$ 138,433</u>

MACON COUNTY, GEORGIA

BALANCE SHEET

**GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>2010 SPLOST</u>	<u>T-SPLOST</u>	<u>2016 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 3,248,184	\$ 941,593	\$ 2,120,171	\$ 708,256	\$ 1,327,829	\$ 8,346,033
Investments	375,000	-	-	-	-	375,000
Taxes receivable	58,296	-	-	-	-	58,296
Accounts receivable	12,181	-	-	-	-	12,181
Notes receivable	-	-	-	-	433,449	433,449
Due from other governments	187,433	-	53,725	52,412	-	293,570
Due from other funds	36,844	10,365	-	-	195	47,404
Total assets	<u>\$ 3,917,938</u>	<u>\$ 951,958</u>	<u>\$ 2,173,896</u>	<u>\$ 760,668</u>	<u>\$ 1,761,473</u>	<u>\$ 9,565,933</u>
LIABILITIES						
Accounts and contracts payable	\$ 195,918	\$ -	\$ -	\$ -	\$ 357	\$ 196,275
Accrued liabilities	195,531	-	-	-	-	195,531
Due to other governments	100,000	-	-	-	-	100,000
Due to other funds	91	-	-	-	10,569	10,660
Total liabilities	<u>491,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,926</u>	<u>502,466</u>
FUND BALANCES						
Nonspendable - long-term notes receivable	-	-	-	-	10,956	10,956
Restricted for:						
Capital improvements	-	951,958	2,173,896	760,668	903,979	4,790,501
Judicial programs	-	-	-	-	13,077	13,077
Public safety	-	-	-	-	123,475	123,475
Health and welfare	-	-	-	-	95,645	95,645
Conservation and development	-	-	-	-	603,415	603,415
Unassigned	3,426,398	-	-	-	-	3,426,398
Total fund balances	<u>3,426,398</u>	<u>951,958</u>	<u>2,173,896</u>	<u>760,668</u>	<u>1,750,547</u>	<u>9,063,467</u>
Total liabilities and fund balance:	<u>\$ 3,917,938</u>	<u>\$ 951,958</u>	<u>\$ 2,173,896</u>	<u>\$ 760,668</u>	<u>\$ 1,761,473</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						
						11,554,369
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						
Notes payable						(68,779)
Compensated absences						(160,094)
Closure/Post-closure care costs						(436,843)
Net position of governmental activities						<u>\$ 19,952,120</u>

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, 2018**

	General	2010 SPLOST	T-SPLOST	2016 SPLOST	Nonmajor Governmental Funds	Total
Revenues:						
Property taxes	\$ 4,208,750	\$ -	\$ -	\$ -	\$ -	\$ 4,208,750
Sales taxes	527,423	-	618,759	-	-	1,146,182
Other taxes	558,441	-	-	-	-	558,441
Licenses and permits	66,497	-	-	-	-	66,497
Intergovernmental	72,732	-	-	1,099,840	662,012	1,834,584
Charges for services	1,074,388	-	-	-	-	1,074,388
Fines and forfeitures	56,583	-	-	-	38,296	94,879
Investment income	952	94	-	42	9,589	10,677
Other revenues	72,467	-	-	-	-	72,467
Total revenues	<u>6,638,233</u>	<u>94</u>	<u>618,759</u>	<u>1,099,882</u>	<u>709,897</u>	<u>9,066,865</u>
Expenditures:						
Current:						
General government	1,408,610	-	-	-	-	1,408,610
Judicial	563,152	-	-	-	7,899	571,051
Public safety	1,578,979	-	-	-	-	1,578,979
Public works	1,243,558	-	-	-	-	1,243,558
Health and welfare	1,179,213	-	-	-	-	1,179,213
Culture and recreation	403,511	-	-	-	-	403,511
Conservation and development	144,481	-	-	-	150,579	295,060
Economic development	93,153	-	-	-	-	93,153
Intergovernmental	-	-	-	502,849	-	502,849
Debt service	24,106	-	-	-	-	24,106
Capital outlay	-	230,844	318,727	228,788	533,779	1,312,138
Total expenditures	<u>6,638,763</u>	<u>230,844</u>	<u>318,727</u>	<u>731,637</u>	<u>692,257</u>	<u>8,612,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530)</u>	<u>(230,750)</u>	<u>300,032</u>	<u>368,245</u>	<u>17,640</u>	<u>454,637</u>
Other financing sources:						
Proceeds from sale of capital assets	41,500	-	-	-	-	41,500
Total other financing sources	<u>41,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,500</u>
Net change in fund balances	40,970	(230,750)	300,032	368,245	17,640	496,137
Fund balance, beginning of year	<u>3,385,428</u>	<u>1,182,708</u>	<u>1,873,864</u>	<u>392,423</u>	<u>1,732,907</u>	<u>8,567,330</u>
Fund balance, end of year	<u>\$ 3,426,398</u>	<u>\$ 951,958</u>	<u>\$ 2,173,896</u>	<u>\$ 760,668</u>	<u>\$ 1,750,547</u>	<u>\$ 9,063,467</u>

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, 2018

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

Net change in fund balances - total governmental funds	\$	496,137
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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	407,328
Depreciation	(611,820)

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	20,965
Change in:	
Closure/post-closure care costs	(7,724)
Compensated absences	5,635

Change in net position	\$	<u>310,521</u>
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The accompanying notes are an integral part of these financial statements.

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,961,506	\$ 4,065,506	\$ 4,208,750	\$ 143,244
Sales taxes	485,000	485,000	527,423	42,423
Other taxes	612,413	623,143	558,441	(64,702)
Licenses and permits	57,850	57,850	66,497	8,647
Intergovernmental	9,675	72,732	72,732	-
Charges for services	1,140,232	1,140,232	1,074,388	(65,844)
Fines and forfeitures	55,000	55,000	56,583	1,583
Investment income	300	300	952	652
Other revenues	88,564	88,564	72,467	(16,097)
Total revenues	6,410,540	6,588,327	6,638,233	49,906
Expenditures:				
Current:				
General government:				
County commissioners	691,087	661,887	661,879	8
Board of elections	89,718	81,718	80,306	1,412
Tax commissioner	194,385	194,385	194,276	109
Tax assessor	220,315	226,715	226,709	6
Public buildings	173,682	182,382	182,279	103
Board of equalization	2,600	1,600	1,221	379
County attorney	25,531	57,531	56,188	1,343
Governmental offices	7,500	6,500	5,752	748
Total general government	1,404,818	1,412,718	1,408,610	4,108
Judicial:				
Superior court	33,092	45,292	45,117	175
Clerk of superior court	188,437	190,437	190,130	307
Magistrate court	76,055	63,555	59,632	3,923
Probate court	149,589	144,589	144,466	123
Juvenile court	25,000	30,600	30,510	90
Public defender	96,150	96,150	77,797	18,353
District attorney	31,000	15,500	15,500	-
Total judicial	599,323	586,123	563,152	22,971
Public safety:				
Sheriff	798,389	798,389	779,312	19,077
Fire	94,734	84,734	84,359	375
Jail	585,797	588,997	588,986	11
E911	51,978	51,988	51,984	4
Civil defense	23,341	54,471	54,470	1
Coroner	19,110	19,910	19,868	42
Total public safety	1,573,349	1,598,489	1,578,979	19,510

(Continued)

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highways and streets	\$ 870,827	\$ 901,162	\$ 901,160	\$ 2
Waste collection	228,000	230,325	230,315	10
Motor vehicle maintenance	148,920	123,585	112,083	11,502
Total public works	<u>1,247,747</u>	<u>1,255,072</u>	<u>1,243,558</u>	<u>11,514</u>
Health and welfare:				
Physical health	90,928	91,228	91,228	-
Ambulance services	942,463	974,413	969,049	5,364
DFACS	4,500	4,500	4,500	-
Literacy Council	36,690	37,470	37,358	112
Transit services	-	64,250	63,878	372
Middle Flint Council on Aging	14,400	14,400	13,200	1,200
Total health and welfare	<u>1,088,981</u>	<u>1,186,261</u>	<u>1,179,213</u>	<u>7,048</u>
Culture and recreation:				
Recreation	216,214	240,711	240,035	676
Whitewater Creek Park	139,595	163,195	163,176	19
Library	300	300	300	-
Total culture and recreation	<u>356,109</u>	<u>404,206</u>	<u>403,511</u>	<u>695</u>
Conservation and development:				
County agent	63,129	63,129	60,101	3,028
Georgia Forestry Commission	14,457	14,457	14,457	-
Planning and zoning	2,600	4,210	3,698	512
Building inspection	62,768	66,403	66,225	178
Total conservation and development	<u>142,954</u>	<u>148,199</u>	<u>144,481</u>	<u>3,718</u>
Economic development:				
River Valley RC	7,440	7,440	7,440	-
Development Authority	85,713	85,713	85,713	-
Total economic development	<u>93,153</u>	<u>93,153</u>	<u>93,153</u>	<u>-</u>
Debt service	<u>24,106</u>	<u>24,106</u>	<u>24,106</u>	<u>-</u>
Total expenditures	<u>6,530,540</u>	<u>6,708,327</u>	<u>6,638,763</u>	<u>69,564</u>
Deficiency of revenues over expenditures	<u>(120,000)</u>	<u>(120,000)</u>	<u>(530)</u>	<u>119,470</u>
Other financing sources:				
Transfers in	95,000	95,000	-	(95,000)
Proceeds from sale of assets	25,000	25,000	41,500	16,500
Total other financing sources	<u>120,000</u>	<u>120,000</u>	<u>41,500</u>	<u>(78,500)</u>
Net change in fund balance	-	-	40,970	40,970
Fund balance, beginning of year	<u>2,882,563</u>	<u>2,995,800</u>	<u>3,385,428</u>	<u>389,628</u>
Fund balance, end of year	<u>\$ 2,882,563</u>	<u>\$ 2,995,800</u>	<u>\$ 3,426,398</u>	<u>\$ 430,598</u>

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

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2018

	Solid Waste Disposal Fund
ASSETS	
Noncurrent assets:	
Investments	\$ 628,720
Total assets	<u>628,720</u>
LIABILITIES	
Current liabilities:	
Due to other funds	36,744
Closure/post-closure care costs due within one year	22,180
Total current liabilities	<u>58,924</u>
Long-term liabilities:	
Closure/post-closure care costs due in more than one year	480,575
Total long-term liabilities	<u>480,575</u>
Total liabilities	<u>539,499</u>
NET POSITION	
Unrestricted	89,221
Total net position	<u>\$ 89,221</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, 2018**

	Solid Waste Disposal Fund
OPERATING EXPENSES	
Post-closure care costs	\$ 45,633
Total operating expenses	<u>45,633</u>
Operating loss	<u>(45,633)</u>
NON-OPERATING REVENUE	
Interest income	2,593
Total non-operating revenue	<u>2,593</u>
Change in net position	(43,040)
NET POSITION, beginning of year	<u>132,261</u>
NET POSITION, end of year	<u>\$ 89,221</u>

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, 2018

	<u>Solid Waste Disposal Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	\$ (17,731)
Net cash used in operating activities	<u>(17,731)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment	(628,720)
Maturity of investment	643,858
Interest on investments	2,593
Net cash provided by investing activities	<u>17,731</u>
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	<u>\$ -</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (45,633)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in closure/post-closure payable	8,889
Increase in due to other funds	19,013
Net cash used in operating activities	<u>\$ (17,731)</u>

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

MACON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

JUNE 30, 2018

ASSETS	<u>Agency Funds</u>
Cash and cash equivalents	\$ 399,344
Total assets	<u>\$ 399,344</u>
 LIABILITIES	
Due to other taxing units	\$ 24,855
Due to state	56,476
Retirement payable	820
Funds held in escrow	281,180
Due to others	<u>36,013</u>
Total liabilities	<u>\$ 399,344</u>

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

MACON COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 SPLOST 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 **2016 SPLOST 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 post- closure 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 their acquisition value 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, 2018.

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, 2018.

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, 2018, 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, 2018, 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, 2018, the County held the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificate of deposit	\$ 375,000	November 17, 2018
Certificate of deposit	628,720	November 9, 2018
	<u>\$ 1,003,720</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, 2018, consist of the following:

	<u>General Fund</u>	<u>T-SPLOST Fund</u>	<u>2016 SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 58,296	\$ -	\$ -	\$ -	\$ 58,296
Accounts	12,181	-	-	-	12,181
Notes	-	-	-	433,449	433,449
Other governments	187,433	53,725	52,412	-	293,570
Gross receivables	<u>257,910</u>	<u>53,725</u>	<u>52,412</u>	<u>433,449</u>	<u>797,496</u>
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 257,910</u>	<u>\$ 53,725</u>	<u>\$ 52,412</u>	<u>\$ 433,449</u>	<u>\$ 797,496</u>

Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. Taxes were levied on October 14, 2017, 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, 2017, 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, 2018, and collected by August 31, 2018, are recognized as revenues in the year ended June 30, 2018.

The Development Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. 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 four times and the outstanding balance of \$6,793 is now due on January 16, 2019. 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, 2018 is \$52,562. On May 2018 the Authority made a \$22,000 business start up loan at an interest rate of 4.00% with a maturity date of September 1, 2025. Payments are scheduled to begin October 1, 2018. The outstanding balance at June 30, 2018, is \$22,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2018, 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	52,830	-	(74,163)	-
Total capital assets, not being depreciated	<u>655,675</u>	<u>52,830</u>	<u>-</u>	<u>(74,163)</u>	<u>634,342</u>
Capital assets, being depreciated:					
Buildings	8,025,426	-	-	-	8,025,426
Infrastructure	6,662,186	-	-	-	6,662,186
Improvements	858,742	-	-	-	858,742
Machinery and equipment	4,389,012	354,498	(63,915)	74,163	4,753,758
Total capital assets, being depreciated	<u>19,935,366</u>	<u>354,498</u>	<u>(63,915)</u>	<u>74,163</u>	<u>20,300,112</u>
Less accumulated depreciation for:					
Buildings	3,402,655	29,256	-	-	3,431,911
Infrastructure	1,822,588	184,864	-	-	2,007,452
Improvements	307,915	218,193	-	-	526,108
Machinery and equipment	3,299,022	179,507	(63,915)	-	3,414,614
Total accumulated depreciation	<u>8,832,180</u>	<u>611,820</u>	<u>(63,915)</u>	<u>-</u>	<u>9,380,085</u>
Total capital assets, being depreciated, net	<u>11,103,186</u>	<u>(257,322)</u>	<u>-</u>	<u>74,163</u>	<u>10,920,027</u>
Governmental activities capital assets, net	<u>\$ 11,758,861</u>	<u>\$ (204,492)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,554,369</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	\$	50,387
Judicial		2,859
Public safety		127,466
Public works		346,681
Health and welfare		20,085
Culture and recreation		61,322
Conservation and development		3,020
Total depreciation expense - governmental activities	\$	611,820

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	50,524	-	-	50,524
Capital assets, being depreciated:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	194,256	-	-	194,256
Total capital assets, being depreciated	282,918	-	-	282,918
Less accumulated depreciation for:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	89,917	12,676	-	102,593
Total accumulated depreciation	178,579	12,676	-	191,255
Total capital assets, being depreciated, net	104,339	(12,676)	-	91,663
Total capital assets, net	\$ 154,863	\$ (12,676)	\$ -	\$ 142,187

Additionally, at June 30, 2018, 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, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Note payable	\$ 89,744	\$ -	\$ (20,965)	\$ 68,779	\$ 21,699
Landfill closure/post-closure	429,119	7,724	-	436,843	-
Compensated absences	165,729	74,718	(80,353)	160,094	77,621
Governmental activities long-term liabilities	<u>\$ 684,592</u>	<u>\$ 82,442</u>	<u>\$ (101,318)</u>	<u>\$ 665,716</u>	<u>\$ 99,320</u>
Business-type Activities:					
Landfill post-closure care	\$ 493,866	\$ 8,889	\$ -	\$ 502,755	\$ 22,180
Business-type activities long-term liabilities	<u>\$ 493,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 502,755</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/post-closure care costs are liquidated by the General Fund. For business-type activities, the Macon County landfill post-closure 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, 2021.

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>
2019	\$ 21,699	\$ 2,407	\$ 24,106
2020	22,458	1,648	24,106
2021	24,622	862	25,484
	<u>\$ 68,779</u>	<u>\$ 4,917</u>	<u>\$ 73,696</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (CONTINUED)

Middle Georgia Regional Solid Waste Management Authority Landfill Post-closure 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 post-closure care costs is \$1,527,424 as of June 30, 2018, 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, 2018.

In 2013, the Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/post-closure 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/post-closure care liability of \$436,843 at June 30, 2018. However, the actual cost of closure and post-closure 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 Post-closure 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 post-closure care cost that will be incurred after the date the landfill no longer accepted waste, which was June 30, 1997. The estimated liability for landfill post-closure care cost is \$502,755 at June 30, 2018. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close monitor and maintain the landfill were acquired as of June 30, 2018. However, the actual cost of post-closure 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, 2018, is as follows:

Due to/from other funds:

Due To	Due From	Amount
General Fund	Solid Waste Disposal Fund	\$ 36,744
General Fund	Nonmajor Governmental Funds	100
2010 SPLOST Fund	Nonmajor Governmental Funds	10,365
Nonmajor Governmental Funds	Nonmajor Governmental Funds	104
Nonmajor Governmental Funds	General Fund	91
		\$ 47,404

The amount due to the 2010 SPLOST Fund of \$10,365 is due from the 2006 SPLOST Fund (nonmajor 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.

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 \$138,276, which was 7.15% of the covered payroll of \$1,934,570. The County's total payroll was \$2,819,844. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLAN (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

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, 2018, the County paid \$7,440 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. CHANGE IN ACCOUNTING PRINCIPLE- HEALTH DEPARTMENT

During fiscal year 2018, the Health Department adopted the provisions of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for other postemployment benefits. This adjustment resulted in a change to beginning net position of the Health Department as follows:

Health Department beginning net position, as previously reported	\$	82,148
Adjustment needed to properly report OPEB liability		13,589
Health Department beginning net position, as restated	<u>\$</u>	<u>95,737</u>

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 **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.

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 SPLOST 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.

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 413,485	\$ 914,344	\$ 1,327,829
Notes receivable	433,449	-	433,449
Due from other funds	195	-	195
Total assets	<u>\$ 847,129</u>	<u>\$ 914,344</u>	<u>\$ 1,761,473</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 357	\$ -	\$ 357
Due to other funds	204	10,365	10,569
Total liabilities	<u>561</u>	<u>10,365</u>	<u>10,926</u>
 FUND BALANCES			
Nonspendable - long-term notes receivable	10,956	-	10,956
Restricted for:			
Capital improvements	-	903,979	903,979
Judicial programs	13,077	-	13,077
Public safety	123,475	-	123,475
Conservation and development	603,415	-	603,415
Health and welfare	95,645	-	95,645
Total fund balances	<u>846,568</u>	<u>903,979</u>	<u>1,750,547</u>
Total liabilities and fund balances	<u>\$ 847,129</u>	<u>\$ 914,344</u>	<u>\$ 1,761,473</u>

MACON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	\$ 146,548	\$ 515,464	\$ 662,012
Fines and forfeitures	38,296	-	38,296
Investment income	9,589	-	9,589
Total revenues	194,433	515,464	709,897
Expenditures:			
Current:			
Judicial	7,899	-	7,899
Conservation and development	150,579	-	150,579
Capital outlay	-	533,779	533,779
Total expenditures	158,478	533,779	692,257
Net change in fund balances	35,955	(18,315)	17,640
Fund balances, beginning of year	810,613	922,294	1,732,907
Fund balances, end of year	\$ 846,568	\$ 903,979	\$ 1,750,547

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2018

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
ASSETS				
Cash and cash equivalents	\$ 13,077	\$ 95,541	\$ 121,620	\$ 1,868
Notes receivable	-	-	-	-
Due from other funds	-	104	91	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,077</u>	<u>\$ 95,645</u>	<u>\$ 121,711</u>	<u>\$ 1,868</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	104	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>104</u>	<u>-</u>
FUND BALANCES				
Nonspendable - long-term notes receivable	-	-	-	-
Restricted for:				
Judicial programs	13,077	-	-	-
Public safety	-	-	121,607	1,868
Conservation and development	-	-	-	-
Health and welfare	-	95,645	-	-
Total fund balances	<u>13,077</u>	<u>95,645</u>	<u>121,607</u>	<u>1,868</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 13,077</u>	<u>\$ 95,645</u>	<u>\$ 121,711</u>	<u>\$ 1,868</u>

Flood Disaster Loan	CDBG 14h-y-096-1-5683	EIP Revolving Loan	CDBG 16h-y-096-1-5684	Total Nonmajor Special Revenue Funds
\$ 91,210	\$ -	\$ 89,191	\$ 978	\$ 413,485
10,956	-	422,493	-	433,449
-	-	-	-	195
\$ 102,166	\$ -	\$ 511,684	\$ 978	\$ 847,129
\$ 357	\$ -	\$ -	\$ -	\$ 357
-	-	-	100	204
357	-	-	100	561
10,956	-	-	-	10,956
-	-	-	-	13,077
-	-	-	-	123,475
90,853	-	511,684	878	603,415
-	-	-	-	95,645
101,809	-	511,684	878	846,568
\$ 102,166	\$ -	\$ 511,684	\$ 978	\$ 847,129

MACON COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Law Library</u>	<u>Drug Education</u>	<u>Jail Fines</u>	<u>Federal Forfeited Property</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	3,589	2,542	32,165	-
Investment income	-	-	-	-
Total revenues	<u>3,589</u>	<u>2,542</u>	<u>32,165</u>	<u>-</u>
Expenditures:				
Current:				
Judicial	7,899	-	-	-
Conservation and development	-	-	-	-
Total expenditures	<u>7,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,310)	2,542	32,165	-
Fund balances, beginning of year	<u>17,387</u>	<u>93,103</u>	<u>89,442</u>	<u>1,868</u>
Fund balances, end of year	<u>\$ 13,077</u>	<u>\$ 95,645</u>	<u>\$ 121,607</u>	<u>\$ 1,868</u>

Flood Disaster Loan	CDBG 14h-y-096-1-5683	EIP Revolving Loan	CDBG 16h-y-096-1-5684	Total Nonmajor Special Revenue Funds
\$ -	\$ 28,196	\$ -	\$ 118,352	\$ 146,548
-	-	-	-	38,296
-	-	9,589	-	9,589
<u>-</u>	<u>28,196</u>	<u>9,589</u>	<u>118,352</u>	<u>194,433</u>
-	-	-	-	7,899
140	32,447	-	117,992	150,579
<u>140</u>	<u>32,447</u>	<u>-</u>	<u>117,992</u>	<u>158,478</u>
(140)	(4,251)	9,589	360	35,955
101,949	4,251	502,095	518	810,613
<u>\$ 101,809</u>	<u>\$ -</u>	<u>\$ 511,684</u>	<u>\$ 878</u>	<u>\$ 846,568</u>

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Law Library			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 8,500	\$ 8,500	\$ 3,589	\$ (4,911)
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>3,589</u>	<u>(4,911)</u>
Expenditures:				
Current:				
Judicial	8,500	8,500	7,899	601
Total expenditures	<u>8,500</u>	<u>8,500</u>	<u>7,899</u>	<u>601</u>
Net change in fund balance	-	-	(4,310)	(4,310)
Fund balance, beginning of year	<u>17,387</u>	<u>17,387</u>	<u>17,387</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,387</u>	<u>\$ 17,387</u>	<u>\$ 13,077</u>	<u>\$ (4,310)</u>

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Drug Education			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 2,542	\$ (2,458)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,542</u>	<u>(2,458)</u>
Expenditures:				
Current:				
Health and welfare	5,000	5,000	-	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	-	-	2,542	2,542
Fund balance, beginning of year	<u>93,103</u>	<u>93,103</u>	<u>93,103</u>	<u>-</u>
Fund balance, end of year	<u>\$ 93,103</u>	<u>\$ 93,103</u>	<u>\$ 95,645</u>	<u>\$ 2,542</u>

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Jail Fines			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 32,165	\$ (2,835)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>32,165</u>	<u>(2,835)</u>
Expenditures:				
Current:				
Public safety	35,000	35,000	-	35,000
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Net change in fund balance	-	-	32,165	32,165
Fund balance, beginning of year	<u>89,442</u>	<u>89,442</u>	<u>89,442</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 89,442</u></u>	<u><u>\$ 89,442</u></u>	<u><u>\$ 121,607</u></u>	<u><u>\$ 32,165</u></u>

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	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	\$ -

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Flood Disaster Loan			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Conservation and development	-	-	140	(140)
Total expenditures	-	-	140	(140)
Net change in fund balance	-	-	(140)	140
Fund balance, beginning of year	101,949	101,949	101,949	-
Fund balance, end of year	\$ 101,949	\$ 101,949	\$ 101,809	\$ 140

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	CDBG 14h-y-096-1-5683			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 28,196	\$ 28,196
Total revenues	-	-	28,196	28,196
Expenditures:				
Current:				
Conservation and development	-	-	32,447	(32,447)
Total expenditures	-	-	32,447	(32,447)
Net change in fund balance	-	-	(4,251)	(4,251)
Fund balance, beginning of year	4,251	4,251	4,251	-
Fund balance, end of year	<u>\$ 4,251</u>	<u>\$ 4,251</u>	<u>\$ -</u>	<u>\$ (4,251)</u>

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	EIP Revolving Loan			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	9,589	9,589
Total revenues	-	-	9,589	9,589
Expenditures:				
Current:				
Conservation and development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	9,589	9,589
Fund balance, beginning of year	502,095	502,095	502,095	-
Fund balance, end of year	\$ 502,095	\$ 502,095	\$ 511,684	\$ 9,589

MACON COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	CDBG 16h-y-096-1-5684			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 118,352	\$ (81,648)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>118,352</u>	<u>(81,648)</u>
Expenditures:				
Current:				
Conservation and development	200,000	200,000	117,992	82,008
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>117,992</u>	<u>82,008</u>
Net change in fund balance	-	-	360	360
Fund balance, beginning of year	<u>518</u>	<u>518</u>	<u>518</u>	<u>-</u>
Fund balance, end of year	<u>\$ 518</u>	<u>\$ 518</u>	<u>\$ 878</u>	<u>\$ 360</u>

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2018

	<u>Whitewater Administration Building and Infrastructure</u>	<u>2006 SPLOST</u>	<u>LMIG</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS				
Cash and cash equivalents	\$ 67,694	\$ 122,130	\$ 724,520	\$ 914,344
Total assets	<u>\$ 67,694</u>	<u>\$ 122,130</u>	<u>\$ 724,520</u>	<u>\$ 914,344</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ 10,365	\$ -	\$ 10,365
Total liabilities	<u>-</u>	<u>10,365</u>	<u>-</u>	<u>10,365</u>
FUND BALANCES				
Restricted for capital improvements	<u>67,694</u>	<u>111,765</u>	<u>724,520</u>	<u>903,979</u>
Total fund balances	<u>67,694</u>	<u>111,765</u>	<u>724,520</u>	<u>903,979</u>
Total liabilities and fund balances	<u>\$ 67,694</u>	<u>\$ 122,130</u>	<u>\$ 724,520</u>	<u>\$ 914,344</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, 2018**

	<u>Whitewater Administration Building and Infrastructure</u>	<u>2006 SPLOST</u>	<u>LMIG</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 515,464	\$ 515,464
Total revenues	<u>-</u>	<u>-</u>	<u>515,464</u>	<u>515,464</u>
Expenditures:				
Capital outlay:				
Culture and recreation	-	2,720	-	2,720
Highways and streets	6,090	-	524,969	531,059
Total expenditures	<u>6,090</u>	<u>2,720</u>	<u>524,969</u>	<u>533,779</u>
Net change in fund balances	(6,090)	(2,720)	(9,505)	(18,315)
Fund balances, beginning of year	<u>73,784</u>	<u>114,485</u>	<u>734,025</u>	<u>922,294</u>
Fund balances, end of year	<u>\$ 67,694</u>	<u>\$ 111,765</u>	<u>\$ 724,520</u>	<u>\$ 903,979</u>

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Project</u>	Estimated	Expenditures		
	Cost <u>Original and Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<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
	<u>\$ 9,604,498</u>	<u>\$ 9,563,588</u>	<u>\$ -</u>	<u>\$ 9,563,588</u>
<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	790,961	-	790,961
Public works building and recreation projects	275,000	644,847	2,720	647,567
Fire stations	842,000	750,379	-	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
	<u>\$ 5,515,698</u>	<u>\$ 5,941,487</u>	<u>\$ 2,720</u>	<u>\$ 5,944,207</u>
<u>2010 Referendum</u>				
Public safety, public works, recreation, and Tax Assessor capital equipment purchases	\$ 1,447,000	\$ 1,196,966	\$ 12,894	\$ 1,209,860
Annex building, health dept., courthouse, EMA, literacy center, and Government office building capital improvements	474,152	312,184	3,450	315,634
Road improvements	1,421,152	-	214,500	214,500
Aquatic recreation facility	500,000	445,653	-	445,653
Intergovernmental				
City of Ideal	283,416	247,047	-	247,047
City of Marshallville	730,876	637,086	-	637,086
City of Montezuma	2,400,010	1,907,232	-	1,907,232
City of Oglethorpe	656,942	572,639	-	572,639
	<u>\$ 7,913,548</u>	<u>\$ 5,318,807</u>	<u>\$ 230,844</u>	<u>\$ 5,549,651</u>

MACON COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Project</u>	<u>Estimated</u>	<u>Expenditures</u>		
	<u>Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
	<u>Original and</u>			
	<u>Current</u>			
<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	\$ 183,567	195,212
Courthouse annex building, health department EMA building, Government offices, recreation building, Whitewater Creek Park, county jail, public works, E911	706,600	25,500	55,846	81,346
Road improvements	1,355,000	-	-	-
Recreational Facility	600,000	-	-	-
Intergovernmental				
City of Ideal	227,000	23,496	37,309	60,805
City of Marshallville	657,000	68,063	97,451	165,514
City of Montezuma	1,571,551	162,670	258,303	420,973
City of Oglethorpe	318,285	62,448	99,161	161,609
	<u>\$ 6,665,436</u>	<u>\$ 353,822</u>	<u>\$ 731,637</u>	<u>\$ 1,085,459</u>

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, 2018

	<u>Sheriff</u>	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 15,220	\$ 91,887	\$ 274,080	\$ 9,329
Total assets	<u>\$ 15,220</u>	<u>\$ 91,887</u>	<u>\$ 274,080</u>	<u>\$ 9,329</u>
<u>LIABILITIES</u>				
Due to other taxing units	\$ -	\$ 24,855	\$ -	\$ -
Due to state	310	55,386	-	-
Retirement payable	-	-	340	272
Funds held in escrow	-	-	273,740	-
Due to others	14,910	11,646	-	9,057
Total liabilities	<u>\$ 15,220</u>	<u>\$ 91,887</u>	<u>\$ 274,080</u>	<u>\$ 9,329</u>

Magistrate Court	Total
\$ 8,828	\$ 399,344
<u>\$ 8,828</u>	<u>\$ 399,344</u>

\$ -	\$ 24,855
780	56,476
208	820
7,440	281,180
400	36,013
<u>\$ 8,828</u>	<u>\$ 399,344</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Sheriff	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,552	\$ 61,316	\$ 57,648	\$ 15,220
Total assets	\$ 11,552	\$ 61,316	\$ 57,648	\$ 15,220
<u>LIABILITIES</u>				
Due to state	\$ 318	\$ 1,248	\$ 1,256	\$ 310
Due to others	11,234	60,068	56,392	14,910
Total liabilities	\$ 11,552	\$ 61,316	\$ 57,648	\$ 15,220
<u>Tax Commissioner</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 108,424	\$ 5,946,278	\$ 5,962,815	\$ 91,887
Total assets	\$ 108,424	\$ 5,946,278	\$ 5,962,815	\$ 91,887
<u>LIABILITIES</u>				
Due to other taxing units				
Macon County School Board	\$ 29,461	\$ 5,098,385	\$ 5,114,063	\$ 13,783
City of Ideal	483	6,932	6,709	706
City of Oglethorpe	2,102	25,746	25,403	2,445
City of Montezuma	5,319	63,119	62,555	5,883
City of Marshallville	1,888	24,458	24,308	2,038
Due to state	62,068	690,005	696,687	55,386
Due to others	7,103	37,633	33,090	11,646
Total liabilities	\$ 108,424	\$ 5,946,278	\$ 5,962,815	\$ 91,887

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

**AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Clerk of Superior Court	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>ASSETS</u>				
Cash and cash equivalents	\$ 386,206	\$ 274,756	\$ 386,882	\$ 274,080
Total assets	<u>\$ 386,206</u>	<u>\$ 274,756</u>	<u>\$ 386,882</u>	<u>\$ 274,080</u>
<u>LIABILITIES</u>				
Due to state	\$ 49	\$ -	\$ 49	\$ -
Retirement payable				
Clerk's, Peace Officers' and Sheriff's	335	340	335	340
Funds held in escrow	385,822	271,416	383,498	273,740
Total liabilities	<u>\$ 386,206</u>	<u>\$ 271,756</u>	<u>\$ 383,882</u>	<u>\$ 274,080</u>
<u>Probate Court</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 10,757	\$ 70,010	\$ 71,438	\$ 9,329
Total assets	<u>\$ 10,757</u>	<u>\$ 70,010</u>	<u>\$ 71,438</u>	<u>\$ 9,329</u>
<u>LIABILITIES</u>				
Due to state	\$ 1,128	\$ -	\$ 1,128	\$ -
Retirement payable	290	2,043	2,061	272
Due to others	9,339	67,967	68,249	9,057
Total liabilities	<u>\$ 10,757</u>	<u>\$ 70,010</u>	<u>\$ 71,438</u>	<u>\$ 9,329</u>

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

**AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Magistrate Court</u>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,687	\$ 132,045	\$ 134,904	\$ 8,828
Total assets	<u>\$ 11,687</u>	<u>\$ 132,045</u>	<u>\$ 134,904</u>	<u>\$ 8,828</u>
<u>LIABILITIES</u>				
Due to state	\$ 810	\$ 11,667	\$ 11,697	\$ 780
Retirement payable	216	3,112	3,120	208
Funds held in escrow	10,332	111,283	114,175	7,440
Due to others	329	5,983	5,912	400
Total liabilities	<u>\$ 11,687</u>	<u>\$ 132,045</u>	<u>\$ 134,904</u>	<u>\$ 8,828</u>

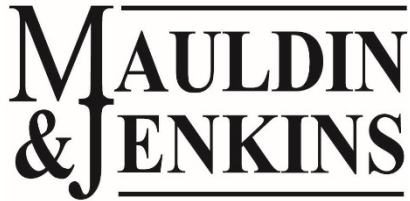
MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Total All Agency Funds</u>	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>ASSETS</u>				
Cash and cash equivalents	\$ 528,626	\$ 6,484,405	\$ 6,613,687	\$ 399,344
Total assets	\$ 528,626	\$ 6,484,405	\$ 6,613,687	\$ 399,344
<u>LIABILITIES</u>				
Due to other taxing units	\$ 39,253	\$ 5,218,640	\$ 5,233,038	\$ 24,855
Due to state	64,373	702,920	710,817	56,476
Retirement payable	841	5,495	5,516	820
Funds held in escrow	396,154	382,699	497,673	281,180
Due to others	28,005	171,651	163,643	36,013
Total liabilities	\$ 528,626	\$ 6,481,405	\$ 6,610,687	\$ 399,344

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, 2018, 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 December 14, 2018. 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 2018-002 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 2018-001 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
December 14, 2018

Mauldin & Jenkins, LLC

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018 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, 2018

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018 – 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.

2018 – 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 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, 2018. 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, 2018 were determined and recorded.

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II (CONTINUED) FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018 – 002 Accounting Process – Development Authority of Macon County (Component Unit) (Continued)

Effect: Adjustments were required to be recorded as follows:

- Adjustments to record prior year audit entries resulted in an increase to accumulated depreciation of \$32,403; an increase in notes receivable of \$63,945; a decrease to accounts payable of \$450; an increase to capital assets of \$90,000; an increase of \$2,000 to accounts receivable and an increase to equity of \$123,992.
- An adjustment of \$22,402 was necessary to accurately record note receivable activity.
- An adjustment of \$88,533 was recorded to include REBG activity on the balance sheet.
- An adjustment of \$2,000 was required to record accounts receivable and contract service revenue at June 30, 2018.
- An adjustment of \$1,655 was required to properly record accounts payable at June 30, 2018.
- An adjustment of \$12,676 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 are 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, 2018

STATUS OF PRIOR YEAR AUDIT FINDINGS

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 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 2018 – 001.

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.

Auditee Response/Status: Recurring. See Finding 2018 – 002.

MACON COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018 – 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 FY2019 audit, Authority management will ensure the books and records are adjusted to the accrual basis of accounting and all audit entries from FY2018 have been recorded.

Anticipated Completion Date: June 30, 2019

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

14h-y-096-1-5683

PROJECT COST SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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	80,210	10,500	90,710
Reconstruction	H-14A-02	370,973	354,482	21,947	376,429
Administration	A-21A-00	32,250	32,250	-	32,250
Totals		<u>\$ 500,000</u>	<u>\$ 466,942</u>	<u>\$ 32,447</u>	<u>\$ 499,389</u>

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

16h-y-096-1-5684

PROJECT COST SCHEDULE

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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	74,111	78,511
Reconstruction	H-14A-02	161,774	-	8,882	8,882
Administration	A-21A-00	35,000	-	34,999	34,999
Contingencies	C-022-00	29,905	-	-	-
Totals		<u>\$ 500,000</u>	<u>\$ 4,400</u>	<u>\$ 117,992</u>	<u>\$ 122,392</u>