MACON COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended
June 30, 2013

MACON COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2013

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

December 19, 2013

INDEPENDENT AUDITORS REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia ("the County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health, which represents .5% of the total assets and 3.9% of the total revenues of the County's financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Macon County Department of Public Health in the component unit column, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 reports of 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 unit, each major fund, and the aggregate remaining fund information of Macon County, Georgia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our opinion is 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 and budgetary comparison information on pages 3–7 and 16–18 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 statements and schedules, and the agency funds combining statement of changes in assets and liabilities are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements and schedules, and the agency funds combining statement of changes in assets and liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the agency funds combining statement of changes in assets and liabilities are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

Butler, Williams & Hyche, LLP

Macon, Georgia

MACON COUNTY, GEORGIA
MANAGEMENT'S DISUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Our discussion and analysis of Macon County's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2013. 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 what is reported in the government-wide financial statements. The remaining *Notes to the financial statements* provide additional information concerning the County's finances that are not disclosed in the Government-wide or the Fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

One of the most important questions asked about the County's finances is "Is the County, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net 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 assets and changes in them. One can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether the County's financial health is improving or deteriorating. Net assets are reported in three categories (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted. In the Statement of Activities, financial information on all revenues and expenses is reported, as is the change in net assets.

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

Component units - The County includes two separate legal entities - the Development Authority of Macon County and the Macon County Department of Public Health in its financial statements. Although legally separate, these "component units" are important because the County is financially accountable for them. 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 the County's two major governmental funds namely, the General Fund and the 2010 Capital Projects Fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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 2013, Macon County's governmental funds reported combined fund balances totaling $6,805,404; an increase of $1,496,734. Approximately 51.5 percent ($3.5 million) of the combined fund balances for governmental funds is available for spending. The remaining 48.5 percent ($3.3 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	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current and other assets	$ 7,225,889	$ 5,648,337	$ 676,464	$ 686,818	$ 7,902,353	$ 6,335,155
Capital Assets	11,694,652	11,801,317	-	-	11,694,652	11,801,317
Total Assets	18,920,541	17,449,654	676,464	686,818	19,597,005	18,136,472
Long-term liabilities	427,239	158,823	531,011	552,305	958,250	711,128
Other liabilities	420,485	339,667	-	-	420,485	339,667
Total liabilities	847,724	498,490	531,011	552,305	1,378,735	1,050,795
Net Position:						
Net investment in capital assets	11,694,652	11,801,317	-	-	11,694,652	11,801,317
Restricted	3,301,989	-	-	-	3,301,989	-
Unrestricted	3,076,176	5,149,847	145,453	134,513	3,221,629	5,284,360
Total Net Position	$ 18,072,817	$ 16,951,164	$ 145,453	$ 134,513	$ 18,218,270	$ 17,085,677

	Governmental Activities		Business-type Activities		Total	
Revenues:	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Program revenues:						
Charges for services	$ 1,415,216	$ 1,268,191	$ -	$ -	$ 1,415,216	$ 1,268,191
Operating grants and contributions	53,517	96,077	-	-	53,517	96,077
Capital grants and contributions	896,222	111,896	-	-	896,222	111,896
General revenues:						
Property taxes	3,817,416	3,876,228	-	-	3,817,416	3,876,228
Sales taxes	1,068,276	1,197,993	-	-	1,068,276	1,197,993
Other taxes	575,830	373,585	-	-	575,830	373,585
Other	13,022	16,952	4,108	494	17,130	17,446
Total Revenues	7,839,499	6,940,922	4,108	494	7,843,607	6,941,416
Expenses:						
General Government	1,335,754	1,272,868	-	-	1,335,754	1,272,868
Judicial	632,206	615,989	-	-	632,206	615,989
Public Safety	1,559,137	1,696,709	-	-	1,559,137	1,696,709
Public Works	1,700,492	1,431,385	-	-	1,700,492	1,431,385
Health and Welfare	792,333	777,000	-	-	792,333	777,000
Housing and Development	362,075	319,617	-	-	362,075	319,617
Cutlure and recreation	335,849	329,480	-	-	335,849	329,480
Landfill	-	-	(6,832)	(2,606)	(6,832)	(2,606)
Total Expenses	6,717,846	6,443,048	(6,832)	(2,606)	6,711,014	6,440,442
Increase (decrease) in net position	1,121,653	497,874	10,940	3,100	1,132,593	500,974
Net position-beginning	16,951,164	16,453,290	134,513	131,413	17,085,677	16,584,703
Net position-ending	$ 18,072,817	$ 16,951,164	$ 145,453	$ 134,513	$ 18,218,270	$ 16,724,409

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 2013, total assets were $3.9 million and total liabilities were $0.4 million. The ending fund balance of $3.5 million represents 62% 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 and other sources for Fiscal Year 2013, $6.143 million, exceeded the total expenditures of $5.657 million by $486 thousand.

During Fiscal Year 2013, General Fund Revenues for the year, $6.143 million, were more than budget by 5.4 percent. Taxes comprised 78% of the General Fund's revenue stream in Fiscal Year 2013. Total General Fund Expenditures for Fiscal Year 2013 were $5.657 million, 98% of the final amended budget.

During fiscal Year 2013, the General Fund transferred $6,507 to the Transit Fund to offset shortage between the revenue received from the Section 5311 Grant, fare-box revenue and purchase of services and the actual expenses that were incurred by the Transit System.

2010 Capital Projects Funds – 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 2013 were $1.1 million and expenditures were $.90 million resulting in an end of year fund balance of $1.17 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, Transportation Special Purpose Local Option Sales Tax (TSPLOST) and Local Maintenance and Improvement Grant (LMIG) funds. Non-major governmental fund revenues for the Fiscal Year 2013 were $1,008,877 and expenditures were $419,313 resulting in an end of year fund balance of $2.1 million.

Major Proprietary Funds

Landfill Enterprise Fund - This fund is the County's only Proprietary Fund and is used to account for the sanitary landfill in compliance with state and federal requirements. The landfill has been closed since June 1997. Total assets were $0.69 million and total liabilities were $0.55 million at the end of Fiscal Year 2013. There was no Operating Income and the only Operating Expenses consisted of $14,462 of post-closure costs. Interest revenue provided the only revenue for the fund.

Capital Assets and Debt Administration

Capital Assets - In Fiscal Year 2013, investments in capital assets for governmental activities decreased $.1 million, (net of accumulated depreciation). At year end, the closed landfill had no capital assets. Governmental activities capital investment amounts to $11.7 million. During the year, the County made expenditures of $450 thousand primarily from funds collected in prior years from a Special Purpose Local Option Sales Tax (SPLOST), for road improvements, fire services and equipment purchases.

Debt Management – Macon County remained totally debt free throughout all of FY 2013. The only long-term debts consist of compensated absences and post-closure care costs for the closed landfill. The combined long-term debt of the governmental and proprietary funds in Fiscal Year 2013 is $0.9 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.

BASIC FINANCIAL STATEMENTS

MACON COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current:			
Cash and cash equivalents	$ 6,066,413	$ -	$ 6,066,413
Accounts receivable (net)	2,938	-	2,938
Taxes receivable (net)	85,816	-	85,816
Loans receivable	441,045	-	441,045
Investments	375,000	691,761	1,066,761
Internal balances	15,297	(15,297)	-
Due from other governments	239,380	-	239,380
Total current Assets	7,225,889	676,464	7,902,353
Noncurrent:			
Notes receivable	-	-	-
Capital assets (not subject to depreciation)	643,795	-	643,795
Capital assets (net of accumulated depreciation)	11,050,857	-	11,050,857
Total noncurrent assets	11,694,652	-	11,694,652
Total assets	18,920,541	676,464	19,597,005
LIABILITIES			
Accounts payable	323,152	-	323,152
Accrued wages payable	22,128	-	22,128
Due to other governments	30,000	-	30,000
Post-closure costs, current portion	-	31,236	31,236
Accrued compensated absences	74,872	-	74,872
Deferred revenue	45,205	-	45,205
Noncurrent liabilities:			
Accrued closure and post-closure care costs	257,521	499,775	757,296
Accrued compensated absences	94,846	-	94,846
Total liabilities	847,724	531,011	1,378,735
NET POSITION			
Net investment in capital assets	11,694,652	-	11,694,652
Restricted for capital projects	2,466,373	-	2,466,373
Restricted for other purposes	835,616	-	835,616
Unrestricted	3,076,176	145,453	3,221,629
Total net position	$ 18,072,817	$ 145,453	$ 18,218,270

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

Component Units	
Development Authority	Health Department
$ 55,950	$ 96,749
-	-
-	-
-	-
-	-
-	-
3,500	-
59,450	96,749
28,658	-
50,524	-
57,168	-
136,350	-
195,800	96,749
433	-
965	-
268	-
-	-
-	-
-	-
-	-
-	19,172
1,666	19,172
107,692	-
-	-
-	-
86,442	77,577
$ 194,134	$ 77,577

MACON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 1,335,754	$ 660,353	$ -	$ -
Judicial	632,206	150,782	1,656	-
Public safety	1,559,137	38,138	6,369	113
Public works	1,700,492	198,905	-	768,910
Health and welfare	792,333	314,240	45,492	-
Housing and development	362,075	830	-	127,199
Culture and recreation	335,849	51,968	-	-
Total governmental activities	6,717,846	1,415,216	53,517	896,222
Business-type activities:				
Landfill	(6,832)	-	-	-
Total business-type activities	(6,832)	-	-	-
Total primary government	$ 6,711,014	$ 1,415,216	$ 53,517	$ 896,222
COMPONENT UNITS				
Development Authority	$ 131,367	$ 30,100	$ 104,696	$ -
Health Department	300,887	58,650	244,677	-
Total component units	$ 432,254	$ 88,750	$ 349,373	$ -
General revenues:				
Property taxes				
Sales taxes				
Alcoholic beverage tax				
Gain on sale of assets				
Insurance premium tax				
Franchise tax				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Development Authority	Health Department
$ (675,401)		$ (675,401)			
(479,768)		(479,768)			
(1,514,517)		(1,514,517)			
(732,677)		(732,677)			
(432,601)		(432,601)			
(234,046)		(234,046)			
(283,881)		(283,881)			
(4,352,891)		(4,352,891)			
-	6,832	6,832			
-	6,832	6,832			
$ (4,352,891)	$ 6,832	$ (4,346,059)			
$ -		$ -		$ 3,429	$ -
-		-		-	2,440
$ -		$ -		$ 3,429	$ 2,440
$ 3,817,416	$ -	$ 3,817,416		$ -	$ -
1,068,276	-	1,068,276		-	-
36,360	-	36,360		-	-
181,628	-	181,628		-	-
357,696	-	357,696		-	-
146	-	146		-	-
13,022	4,108	17,130		5	-
5,474,544	4,108	5,478,652		5	-
1,121,653	10,940	1,132,593		3,434	2,440
16,951,164	134,513	17,085,677		190,700	75,137
$ 18,072,817	$ 145,453	$ 18,218,270		$ 194,134	$ 77,577

MACON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

	General	2010 Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,255,533	$ 1,093,564	$ 1,717,316	$ 6,066,413
Taxes receivable (net)	85,816	-	-	85,816
Accounts receivable (net)	2,938	-	-	2,938
Loans receivable	-	-	441,045	441,045
Investments	375,000	-	-	375,000
Due from other funds	33,597	41,694	438	75,729
Due from other governments	152,281	35,221	51,878	239,380
Total assets	$ 3,905,165	$ 1,170,479	$ 2,210,677	$ 7,286,321
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts and contracts payable	$ 307,490	$ -	$ 15,662	$ 323,152
Accrued wages and payroll taxes payable	22,128	-	-	22,128
Due to other funds	42,132	-	18,300	60,432
Due to other governments	30,000	-	-	30,000
Deferred revenue	-	-	45,205	45,205
Total liabilities	401,750	-	79,167	480,917
FUND BALANCES				
Restricted for:				
SPLOST Capital projects	-	1,170,479	1,295,894	2,466,373
Law Library	-	-	14,834	14,834
Public Safety	-	-	158,912	158,912
Flood Disaster Business Loan Recovery	-	-	171,949	171,949
EIP Project	-	-	489,921	489,921
Unassigned	3,503,415	-	-	3,503,415
Total fund balances	3,503,415	1,170,479	2,131,510	6,805,404
Total liabilities and fund balances	$ 3,905,165	$ 1,170,479	$ 2,210,677	$ 7,286,321

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

MACON COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balances for governmental funds		$ 6,805,404
Total net position for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,694,652
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Closure/Post-closure care costs	(257,521)	
Compensated absences	(169,718)	(427,239)
Total net position of governmental activities		$ 18,072,817

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

MACON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	General	2010 Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 4,809,758	$ 1,080,689	$ -	$ 5,890,447
Licenses and permits	59,689	-	-	59,689
Intergovernmental	9,075	-	940,818	949,893
Charges for services	829,051	-	36,324	865,375
Fines and forfeitures	32,095	-	19,330	51,425
Investment income	851	700	12,405	13,956
Miscellaneous	403,081	-	-	403,081
Total revenues	6,143,600	1,081,389	1,008,877	8,233,866
EXPENDITURES				
Current:				
General government	1,294,033	-	-	1,294,033
Judicial	622,495	-	10,970	633,465
Public safety	1,439,067	-	20,130	1,459,197
Public works	1,147,223	-	-	1,147,223
Health and welfare	656,726	-	116,746	773,472
Conservation and development	213,416	-	146,199	359,615
Culture and recreation	284,647	1,225	-	285,872
Intergovernmental	-	575,996	-	575,996
Capital outlay:				
General government	-	100,482	-	100,482
Public safety	-	-	57,206	57,206
Highways and streets	-	174,880	68,062	242,942
Health and welfare	-	-	-	-
Housing and development	-	23,292	-	23,292
Culture and recreation	-	21,389	-	21,389
Total expenditures	5,657,607	897,264	419,313	6,974,184
Excess (deficiency) of revenues over (under) expenditures	485,993	184,125	589,564	1,259,682
OTHER FINANCING SOURCES (USES)				
Transfers in	22,016	-	6,507	28,523
Transfers out	(6,507)	-	(22,016)	(28,523)
Proceeds from the sale of capital assets	237,052	-	-	237,052
Total other financing sources (uses)	252,561	-	(15,509)	237,052
Net change in fund balance	738,554	184,125	574,055	1,496,734
Fund balance - beginning of year	2,764,861	986,354	1,557,455	5,308,670
Fund balance - end of year	$ 3,503,415	$ 1,170,479	$ 2,131,510	$ 6,805,404

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

MACON COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balance - total governmental funds		$ 1,496,734
Total change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.		
Capital Outlays	445,312	
Proceeds from the sale of capital assets	(237,052)	
Gain on disposition of capital assets	181,628	
Depreciation	(496,553)	(106,665)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:		
Closure/Post-closure care costs	(257,521)	
Compensated absences	(10,895)	(268,416)
Change in net position of governmental activities		$ 1,121,653

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

MACON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 4,774,644	$ 4,664,628	$ 4,809,758	$ 145,130
Licenses and permits	82,850	82,850	59,689	(23,161)
Intergovernmental	10,494	10,494	9,075	(1,419)
Charges for services	904,000	904,000	829,051	(74,949)
Fines and forfeitures	53,000	53,000	32,095	(20,905)
Investment income	3,000	3,000	851	(2,149)
Miscellaneous	78,264	108,264	403,081	294,817
Total revenues	5,906,252	5,826,236	6,143,600	317,364
EXPENDITURES				
Current:				
General government:				
County commissioners	838,143	733,363	716,207	17,156
Board of elections	94,895	95,231	84,816	10,415
Tax commissioner	164,978	165,986	161,570	4,416
Tax assessor	212,402	230,394	230,394	-
Public buildings	98,491	98,827	89,373	9,454
Other general government	13,200	13,200	11,673	1,527
Total general government	1,422,109	1,337,001	1,294,033	42,968
Judicial:				
Superior court	45,260	49,114	49,114	-
Clerk of superior court	151,986	152,815	152,815	-
Magistrate court	132,718	133,390	133,012	378
Probate court	136,725	133,469	125,658	7,811
Juvenile court	25,758	25,758	17,010	8,748
District attorney and legal services	145,870	145,870	144,886	984
Total judicial	638,317	640,416	622,495	17,921

(continued)

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

MACON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current (continued):				
Public safety:				
Sheriff	750,418	747,757	744,585	3,172
Fire	45,310	45,310	39,389	5,921
Jail	569,827	585,048	585,048	-
E911	28,332	28,332	28,254	78
Civil defense	18,462	18,462	17,838	624
Coroner	28,862	24,198	23,953	245
Total public safety	1,441,211	1,449,107	1,439,067	10,040
Public works:				
Highways and streets	883,911	883,376	841,392	41,984
Waste collection	230,000	230,000	228,132	1,868
Middle Georgia Regional Solid Waste Management Authority	12,628	12,628	12,628	-
Motor vehicle maintenance	65,078	65,414	65,071	343
Total public works	1,191,617	1,191,418	1,147,223	44,195
Health and welfare:				
Physical health	90,928	90,928	90,928	-
Ambulance service	528,722	525,709	515,026	10,683
DFACS	4,800	4,800	4,400	400
Literacy Council	34,474	34,474	31,972	2,502
Middle Flint Council on Aging	14,400	14,400	14,400	-
Total health and welfare	673,324	670,311	656,726	13,585
Culture and recreation:				
Recreation	182,709	188,746	188,746	-
Whitewater Creek Park	93,940	96,644	95,601	1,043
Library	300	300	300	-
Total culture and recreation	276,949	285,690	284,647	1,043
Conservation and development:				
County agent	57,155	59,490	57,888	1,602
Georgia Forestry Commission	13,843	13,843	13,843	-
Planning and zoning	4,000	1,892	1,459	433
Building inspection	52,370	53,609	53,609	-
Soil conservation	-	3,705	3,705	-
Total housing and development	127,368	132,539	130,504	2,035
Economic development:				
Middle Flint RDC	8,005	8,282	8,282	-
Development Authority	68,830	74,630	74,630	-
Total economic development	76,835	82,912	82,912	-

(continued)

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

MACON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current (continued):				
Total expenditures	5,847,730	5,789,394	5,657,607	131,787
Excess (deficiency) of revenues over (under) expenditures	58,522	36,842	485,993	449,151
OTHER FINANCING SOURCES (USES)				
Transfers in	-	22,016	22,016	-
Transfers out	(58,858)	(58,858)	(6,507)	52,351
Proceeds from sale of capital assets	-	-	237,052	237,052
Total other financing sources (uses)	(58,858)	(36,842)	252,561	289,403
Net change in fund balance	(336)	-	738,554	738,554
Fund balance - beginning of year	2,764,861	2,764,861	2,764,861	-
Fund balance - end of year	$ 2,764,525	$ 2,764,861	$ 3,503,415	$ 738,554

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

MACON COUNTY, GEORGIA
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2013

	Solid Waste Disposal Fund
ASSETS	
Long-term assets:	
Investments	$ 691,761
Total assets	$ 691,761
LIABILITIES	
Current liabilities:	
Due to other funds	$ 15,297
Post-closure costs, current portion	31,236
Total current liabilities	46,533
Long-term liabilities:	
Post-closure costs, long-term portion	499,775
Total liabilities	546,308
NET ASSETS	
Unrestricted	145,453
Total net position	145,453
Total liabilities and net position	$ 691,761

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

MACON COUNTY, GEORGIA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Solid Waste Disposal Fund
OPERATING REVENUES	
Landfill charges	$ -
Total operating revenues	-
OPERATING EXPENSES	
Post-closure care cost	14,462
Change in estimate of post-closure care cost	(21,294)
Total operating expenses	(6,832)
Operating income	6,832
NONOPERATING REVENUES	
Interest revenue	4,108
Total non-operating revenues	4,108
Changes in net position	10,940
Net position - beginning	134,513
Net position - ending	$ 145,453

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

MACON COUNTY, GEORGIA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	Solid Waste Disposal Fund
Cash flows from operating activities:	
Cash payments to suppliers for services	$ (14,462)
Net cash required for operating activities	(14,462)
Cash flows from noncapital financing activities:	
Increase in due to other funds	(2,877)
Net cash required for noncapital financing activities	(2,877)
Cash flows from investing activities:	
Maturities of investments	13,231
Interest received on investments	4,108
Net cash provided by investing activities	17,339
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	$ -
Reconciliation of operating income to net cash required by operating activities:	
Operating income	$ 6,832
Adjustments to reconcile operating income to net cash provided from operating activities:	
Decrease in post-closure liabilities	(21,294)
Net cash (required for) operating activities	$ (14,462)

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

MACON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 614,589
Total assets	$ 614,589
LIABILITIES	
Due to other taxing units	$ 161,979
Due to state	81,683
Retirement payable	1,518
Restitution payable	12,572
Funds held in escrow	335,243
Other	21,594
Total liabilities	$ 614,589

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

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

A. The Reporting Entity.

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

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

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

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

Development Authority of Macon County (the "Authority") - The members of the governing board of the Authority are appointed by the Board of Commissioners of Macon County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. All amounts shown in the financial statements for the Authority are for the fiscal year ended June 30, 2013. The Development Authority of Macon County does not issue separate financial statements.

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

B. Basis of Presentation.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

Government-wide Financial Statements.

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

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

Fund Financial Statements.

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

The 2010 Capital Projects 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 the public works, sheriff, emergency medical service, fire recreation, tax assessors departments and Whitewater Creek park. These improvements are financed by a special one percent sales tax.

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

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

Governmental Funds.

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

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

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

The County uses the following governmental fund types:

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

Proprietary Funds.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing business. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector.

C. Basis of Accounting.

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

Revenues – Exchange Transactions.

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

Revenues – Non-exchange Transactions.

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

Basis of Accounting - Health Department - Component Unit.

The accounting policies of the Macon County Health Department conform to generally accepted accounting principles as applicable to governmental units. The Health Department is governed by the Macon County Board of Health. The government-wide financial statements report information on all of the non-fiduciary activities of the department. The Health Department recognizes direct expenses. Direct expenses are those that are clearly identifiable with a specific function or segment. The direct expenses are offset by program revenues.

Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Health Department reports the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

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

D. Assets, Liabilities and Equity.

1. Cash and Investments.

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

State statutes authorize the County to invest in obligations of the U.S. and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by U.S. obligations, repurchase agreements and Georgia Fund 1, the local government investment pool. Investments are stated at fair value based on quoted market prices.

2. Receivables.

Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1st, and the taxes are due December 20th each year. The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billing date or December 20th, whichever is later, at which time the applicable property is subject to a lien, and penalties and interest are assessed. The tax levy was set on September 4, 2012.

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

3. Interfund Balances.

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

4. Inventory and Prepaid Items.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

5. Capital Assets.

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

The estimated useful lives of capital assets are as follows:

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

6. Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* in fiscal year 2012. This implementation resulted primarily in changes to terminology and the elimination of reporting unamortized debt issuance costs (i.e., unamortized loan origination fees) as a deferred charge.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Claims and Judgments.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

8. Compensated Absences.

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

9. Fund Equity.

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

Fund balance - Generally, fund balance represents the difference between the current assets and current liabilities. 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 – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2013, by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Committed – includes amounts that can only be used for specific purposes determined by a formal action by the County Commissioners, the County's highest level of decision making authority. Commitments may be modified or rescinded by the same action as the commitment was adopted.

- Assigned – includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the County's policy, amounts may be assigned by the Board of Commissioners or County Manager.

- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The County reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 12) and the Nonmajor Governmental Funds Combining Balance sheet (pages 39). As discussed below, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners have provided otherwise in commitment or assignment actions.

The General Fund may maintain all five classifications of fund balance. 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 expenses. 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, 2013 the Board of Commissioners had not taken action to commit any amounts to a Rainy Day / Stabilization category.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

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

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

10. Interfund Activity.

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

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

11. Management Estimates.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY.

A. Budgets and Budgetary Accounting.

An operating budget is legally adopted each fiscal year for all governmental funds except capital project funds. Capital project funds use project-length budgets. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's general fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All final budget amounts presented in the accompanying financial statements and supplementary data have been adjusted for legally authorized revisions of the annual budget during the year. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level. All unexpended appropriations provided in the annual budget lapse at year-end. The annual budget cycle begins in March of the preceding year when budget workbooks are distributed to each department. The Board advertises and conducts public hearings on the proposed budget in adherence to local ordinance and state law and adopts a final budget by June 30th.

III. DETAILED NOTES ON ALL FUNDS.

A. Cash.

Primary Government.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2013, the County's bank balances are entirely insured or collateralized with securities held by the County's agent in the County's name.

As of June 30, 2013, the County's reporting entity had the following investments:

Primary Government	Fair Value	Maturities
Certificate of Deposit	$ 375,000	November 17, 2013
	$ 691,762	September 3, 2013

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other that 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, 2013, all of the County's deposits were insured and collateralized.

Development Authority – Component Unit

Custodial Credit Risk – Deposits

The Authority's bank balances as of June 30, 2013 are entirely insured or collateralized with securities held by the Authority's agent in the Authority's name.

Health Department – Component Unit

Custodial Credit Risk – Deposits

The Health department does not have a deposit policy for custodial credit risk. As of June 30, 2013, the Health Department's cash deposits were entirely covered by federal depository insurance or collateralized by securities held by the Health Department's custodial bank in the Health Department's name.

B. Receivables.

Receivables at June 30, 2013 consist of the following: taxes, accounts (billings for user charges), loans and intergovernmental receivables arising from grants. Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining the existence, completeness, valuation and in the case of receivables, collectibility.

Property taxes levied are recorded as receivables, net of estimated uncollectibles, and recognized as revenue when due. The levy is made on assessed valuations as of January 1st and the taxes are due on December 20th. The levy was made on September 4, 2012. Tax bills are mailed at least 60 days prior to the due date. Tax bills are considered past due 60 days after the billing date or December 20th, whichever is later, at which time the applicable property is subject to lien and penalties and interest are assessed.

III. DETAILED NOTES ON ALL FUNDS (Continued).

C. Interfund Receivables and Payables.

Interfund receivable and payable balances at June 30, 2013 are as follows:

Fund	Interfund Receivables	Interfund Payables
General	$ 33,597	$ 42,132
2010/2016 SPLOST	41,694	-
Non-major governmental funds	438	18,300
Solid Waste Disposal	-	15,297
	$ 75,729	$ 75,729

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

	Due to:		
Due From:	General Fund	Nonmajor Governmental	Total
General Fund	$ -	$ 438	$ 438
2010/2016 SPLOST	-	41,694	41,694
Nonmajor Governmental	18,300	-	18,300
Solid Waste Disposal	15,297	-	15,297
	$ 33,597	$ 42,132	$ 75,729

(This section intentionally left blank)

III. DETAILED NOTES ON ALL FUNDS (Continued).

D. Capital Assets.

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2013	Accumulated Depreciation June 30, 2013	Book Value June 30, 2013
Not depreciable:						
Land	$ 651,799	$ 13,843	$ 38,030	$ 627,612	$ -	$ 627,612
Construction in progress	258,084	102,789	344,690	16,183	-	16,183
	909,883	116,632	382,720	643,795	-	643,795
Depreciated:						
Buildings	7,540,211	292,290	-	7,832,501	2,670,341	5,162,160
Infrastructure	5,920,891	52,400	-	5,973,291	871,450	5,101,841
Improvements	309,836	-	8,989	300,847	254,509	46,338
Machinery & equipment	3,130,085	328,679	183,257	3,275,507	2,534,989	740,518
	16,901,023	673,369	192,246	17,382,146	6,331,289	11,050,857
Totals	$ 17,810,906	$ 790,001	$ 574,966	$ 18,025,941	$ 6,331,289	$ 11,694,652

Accumulated depreciation	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Buildings	$ 2,500,496	$ 169,845	$ -	$ 2,670,341
Infrastructure	674,087	197,363	-	871,450
Improvements	248,775	9,330	3,596	254,509
Machinery & equipment	2,586,231	120,015	171,257	2,534,989
Totals	$ 6,009,589	$ 496,553	$ 174,853	$ 6,331,289

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

Governmental activities:	
General government	$ 40,894
Judicial	2,320
Public safety	103,451
Public works	281,366
Health and welfare	16,301
Culture and recreation	49,769
Housing and development	2,452
Total depreciation expense - governmental activities	$ 496,553

III. DETAILED NOTES ON ALL FUNDS (Continued).

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

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2013:

	Balance June 30, 2012	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2013	Accumulated Depreciation June 30, 2013	Book Value June 30, 2013
Nondepreciable						
Land	$ 50,524	$ -	$ -	$ 50,524	$ -	$ 50,524
Total Non-depreciable	$ 50,524	$ -	$ -	$ 50,524	$ -	$ 50,524
Depreciable						
Building	$ 88,662	$ -	$ -	$ 88,662	$ 88,662	$ -
Improvements other than buildings	104,256	-	-	104,256	47,088	57,168
Total Capital Assets	$ 243,442	$ -	$ -	$ 243,442	$ 135,750	$ 107,692

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Accumulated Depreciation	$ 125,324	$ 10,426	$ -	$ 135,750

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

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2013:

	Balance June 30, 2012	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2013	Accumulated Depreciation June 30, 2013	Book Balance June 30, 2013
Machinery & Equipment	$ 25,716	$ -	$ -	$ 25,716	$ 25,716	$ -
Total	$ 25,716	$ -	$ -	$ 25,716	$ 25,716	$ -

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Accumulated Depreciation	$ 25,553	$ 163	$ -	$ 25,716

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

The Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. In FY 2005 the Authority loaned $50,000 to a local business with a maturity of 7 years and an interest rate of 4.00%. In April 2011, the loan was refinanced. $28,780 was refinanced at 4% with an April 18, 2016 maturity date. At June 30, 2013, the remaining balance due was $21,658. In October 2012, the Authority loaned Enviro Builders, LLC $7,000 as a business start-up loan. The note originally had a 120 day maturity at an interest rate of 4.00%. The note has been extended twice and is now due on January 16, 2014.

III. DETAILED NOTES ON ALL FUNDS (Continued).

I. Long-term Obligations.

During the year ended June 30, 2013 the following changes occurred in the long-term obligations:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Governmental Activities					
Accrued Annual Leave	$ 158,823	$ 84,876	$ 73,981	$ 169,718	$ 74,872
Total Governmental Activities	$ 158,823	$ 84,876	$ 73,981	$ 169,718	$ 74,872
Business-type Activities					
Post-closure Care Costs	$ 552,305	$ -	$ 21,294	$ 531,011	$ 31,236
Total Business-type Activities	$ 552,305	$ -	$ 21,294	$ 531,011	$ 31,236

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

J. Long-term Obligations, Health Department - Component Unit.

During the year ended June 30, 2013, the following changes occurred in the long-term obligations of the Health Department:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Governmental Activities				
Compensated absences	$ 17,934	$ 1,238	$ -	$ 19,172

This liability is anticipated to be paid with operating revenues.

K. Interfund Transfers.

Interfund transfers for the year ended June 30, 2013 consisted of the following:

Transfer from:	Transfer to:	Amount Transferred
General Fund	Non-major governmental funds	$ 6,507
Non-major governmental funds	General Fund	22,016
		28,523

The purpose of the transfer from the General Fund was to cover the operating deficit of the Transit System. The purpose of the transfer to the General Fund was to help cover the cost of jail operations.

IV. OTHER INFORMATION

A. Post-closure Care Cost.

Governmental Activities:

Federal laws and regulations require the Middle Georgia Regional Solid Waste Management Authority (the "Authority") to 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. The estimated liability for solid waste landfill closure and post-closure care costs has a balance of $900,422 as of June 30, 2013 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill was acquired as of June 30, 2013. In 2013, Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/post-closure costs of the landfill based on the percentage of ownership of each county in the Authority. Macon County's ownership percentage is 28.6%. Peach County's percentage is 48.0%. And Dooly County's percentage is 23.4%. Therefore, Macon County's closure/post-closure care costs total $257,521 as of June 30, 2013.

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**.**

Business-type Activities:

State and federal laws and regulations require that Macon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. An expense provision and related liability has been recognized based on the future post-closure care cost that will be incurred after the date the landfill no longer accepted waste, which was June 30, 1997. The estimated liability for landfill post-closure care cost is $531,011 as of June 30, 2013. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities and services required to monitor and to maintain the landfill were acquired as of June 30, 2013. However, the actual cost of post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

B. Pension Plan.

Macon County contributes to a deposit administration group annuity contract with Southern Farm Bureau, which is a defined contribution single-employer plan. The defined contribution pension plan provides pension benefits in return for services rendered and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual receives. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments on those contributions. In order to be eligible for the plan, the employee must be employed with the County for two years and attain the age of twenty-one. The employee's contributions vest 100% upon entering the plan. All contributions are paid entirely by the County.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend, from time-to-time, the contribution rates for the employer and its plan members. The plan was modified in fiscal year 2006 to allow for directed investments and to allow for the purchase of life insurance at the option of the employee. The authority for the plan, benefits, vesting and contributions is established by the Board of Commissioners. During the plan year, the County's required and actual contributions amounted to $149,568, which was 8.48% of the covered payroll of $1,762,116. The County's total payroll was $2,766,667. The contributions are invested into annuity and life insurance products. Employees are given the option of contributing the funds, 51% to annuities and 49% percent to life insurance or 100% to annuities.

Fiscal Year	Annual Contributions
2009	$ 116,518
2010	123,707

2011	107,555
2012	144,275
2013	149,568

IV. OTHER INFORMATION (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.

C. Contingent Liabilities.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies to their representatives. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

There are various claims and suits pending against the County that arise in the normal course of the County's activities. In the opinion of counsel and County management, the ultimate disposition of these various claims and suits will have no material effect on the financial position of the County.

D. Joint Ventures.

The Middle Georgia Regional Solid Waste Management Authority.

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

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

River Valley Regional Commission.

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

E. Risk Management.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the County carries commercial insurance. The County carries commercial insurance for coverage of property, errors and omissions and professional liability. The County is also exposed to risk of loss related to injury of employees. Worker's compensation coverage is obtained by the County's participation in the Association of County Commissioners of Georgia Group Self–Insurance Workers' Compensation Fund, "the Fund". Under this plan, the County is required to make annual contributions to the Fund. The Fund is responsible for the

payment of all claims. After the County's payroll is audited for the year, the County may be required to make additional payments or they may receive a refund.

IV. OTHER INFORMATION (Continued).

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

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

F. Subsequent Events -

Events that occur after the balance sheet date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the County through December 19, 2013 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

MACON COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

MACON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING BALANCE SHEET
JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 439,565	$ 1,277,751	$ 1,717,316
Loans receivable	441,045	-	441,045
Due from other governments	-	51,878	51,878
Due from other funds	411	27	438
Total assets	881,021	1,329,656	2,210,677
LIABILITIES AND FUND BALANCE			
Accounts payable and accrued payables	-	15,662	15,662
Due to other funds	200	18,100	18,300
Deferred revenue	45,205	-	45,205
Total liabilities	45,405	33,762	79,167
FUND BALANCE			
Restricted	835,616	1,295,894	2,131,510
Total fund balance	835,616	1,295,894	2,131,510
Total liabilities and fund balance	$ 881,021	$ 1,329,656	$ 2,210,677

MACON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 172,691	$ 768,127	$ 940,818
Charges for services	36,324	-	36,324
Fines and forfeitures	19,330	-	19,330
Investment income	12,210	195	12,405
Total revenues	240,555	768,322	1,008,877
EXPENDITURES			
Current:			
Judicial	10,970	-	10,970
Public safety	-	20,130	20,130
Health and welfare	116,746	-	116,746
Conservation and development	146,199	-	146,199
Capital Outlay			
Public safety	-	57,206	57,206
Highways and streets	-	68,062	68,062
Total expenditures	273,915	145,398	419,313
Excess (deficiency) of revenues over (under) expenditures	(33,360)	622,924	589,564
OTHER FINANCING SOURCES (USES)			
Transfers in	6,507	-	6,507
Transfers out	(22,016)	-	(22,016)
Total other financing sources (uses)	(15,509)	-	(15,509)
Net change in fund balance	(48,869)	622,924	574,055
Fund balance - beginning	884,485	672,970	1,557,455
Fund balance - ending	$ 835,616	$ 1,295,894	$ 2,131,510

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

Flood Disaster Loan – established to account for a $171,949 Community Development Block Grant from the Georgia Department of Community Affairs to be used for the Flood Disaster Business Loan Recovery Program.

Community Development Block Grant 10h-y-096-1-5234 – to account for revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvements Project.

Community Development Block Grant 12h-y-096-1-5495 – to account for revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvements Project.

EIP Revolving Loan – to account for revenues received for the employment incentive program and related loans to qualifying employers in Macon County for capital expenditures.

MACON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property
ASSETS				
Cash and cash equivalents	$ 14,834	$ 80,219	$ 68,136	$ 10,157
Loans receivable	-	-	-	-
Due from other funds	-	-	400	-
Total assets	14,834	80,219	68,536	10,157
LIABILITIES AND FUND BALANCE				
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCE				
Restricted	14,834	80,219	68,536	10,157
Total fund balance	14,834	80,219	68,536	10,157
Total liabilities and fund balance	$ 14,834	$ 80,219	$ 68,536	$ 10,157

CDBG 12h-y-096 1-5495	Transit System	Flood Disaster Loan	CDBG 10h-y-096 1-5234	EIP Revolving Loan	Total
$ 26,846	$ -	$ 119,896	$ 18,359	$ 101,118	$ 439,565
-	-	52,042	-	389,003	441,045
-	-	11	-	-	411
26,846	-	171,949	18,359	490,121	881,021
-	-	-	-	200	200
26,846	-	-	18,359	-	45,205
26,846	-	-	18,359	200	45,405
-	-	171,949	-	489,921	835,616
-	-	171,949	-	489,921	835,616
$ 26,846	$ -	$ 171,949	$ 18,359	$ 490,121	$ 881,021

MACON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Fines and forfeitures	1,958	2,913	14,459	-
Investment income	-	14	14	11
Total revenues	1,958	2,927	14,473	11
EXPENDITURES				
Current:				
Judicial	10,970	-	-	-
Health and welfare	-	-	-	-
Conservation and development	-	-	-	-
Total expenditures	10,970	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(9,012)	2,927	14,473	11
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(22,016)	-
Total other financing sources (uses)	-	-	(22,016)	-
Net change in fund balance	(9,012)	2,927	(7,543)	11
Fund balance - beginning	23,846	77,292	76,079	10,146
Fund balance - ending	$ 14,834	$ 80,219	$ 68,536	$ 10,157

CDBG 12h-y-096 1-5495	Transit System	Flood Disaster Loan	CDBG 10h-y-096 1-5234	EIP Revolving Loan	Total Nonmajor Special Revenue Funds
$ 80,044	$ 45,492	$ -	$ 47,155	$ -	$ 172,691
-	36,324	-	-	-	36,324
-	-	-	-	-	19,330
-	-	-	-	12,171	12,210
80,044	81,816	-	47,155	12,171	240,555
-	-	-	-	-	10,970
-	116,746	-	-	-	116,746
80,044	-	-	47,155	19,000	146,199
80,044	116,746	-	47,155	19,000	273,915
-	(34,930)	-	-	(6,829)	(33,360)
-	6,507	-	-	-	6,507
-	-	-	-	-	(22,016)
-	6,507	-	-	-	(15,509)
-	(28,423)	-	-	(6,829)	(48,869)
-	28,423	171,949	-	496,750	884,485
$ -	$ -	$ 171,949	$ -	$ 489,921	$ 835,616

MACON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Law Library			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 5,000	$ 10,970	$ 1,958	$ (9,012)
Investment income	-	-	-	-
Total revenues	5,000	10,970	1,958	(9,012)
EXPENDITURES				
Current:				
Judicial	5,000	10,970	10,970	-
Total expenditures	5,000	10,970	10,970	-
Excess (deficiency) of revenues over expenditures	-	-	(9,012)	(9,012)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(9,012)	(9,012)
Fund balance - beginning	23,846	23,846	23,846	-
Fund balance - ending	$ 23,846	$ 23,846	$ 14,834	$ (9,012)

Drug Education			Jail Fines			
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
$ 5,000	$ 2,913	$ (2,087)	$ 1,000	$ 23,016	$ 14,459	$ (8,557)
-	14	14	-	-	14	14
5,000	2,927	(2,073)	1,000	23,016	14,473	(8,543)
5,000	-	5,000	1,000	1,000	-	1,000
5,000	-	5,000	1,000	1,000	-	1,000
-	2,927	2,927	-	22,016	14,473	(7,543)
-	-	-	-	(22,016)	(22,016)	-
-	-	-	-	(22,016)	(22,016)	-
-	2,927	2,927	-	-	(7,543)	(7,543)
77,292	77,292	-	76,079	76,079	76,079	-
$ 77,292	$ 80,219	$ 2,927	$ 76,079	$ 76,079	$ 68,536	$ (7,543)

MACON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Federal Forfeited Property		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	$ -	$ -	$ -
Charges for services	-	-	-
Miscellaneous	100	11	(89)
Total revenues	100	11	(89)
EXPENDITURES			
Current:			
Public safety	100	-	100
Health and welfare	-	-	-
Conservation and development	-	-	-
Total expenditures	100	-	100
Excess (deficiency) of revenue over (under) expenditures	-	11	11
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	-	11	11
Fund balance - beginning	10,146	10,146	-
Fund balance - ending	$ 10,146	$ 10,157	$ 11

CDBG 12h-y-096-1-5495				Transit System		
Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
$ 60,000	$ 80,044	$ 80,044	$ -	$ 51,979	$ 45,492	$ (6,487)
-	-	-	-	25,617	36,324	10,707
-	-	-	-	-	-	-
60,000	80,044	80,044	-	77,596	81,816	4,220
-	-	-	-	-	-	-
-	-	-	-	136,454	116,746	19,708
60,000	80,044	80,044	-	-	-	-
60,000	80,044	80,044	-	136,454	116,746	19,708
-	-	-	-	(58,858)	(34,930)	23,928
-	-	-	-	58,858	6,507	(52,351)
-	-	-	-	58,858	6,507	(52,351)
-	-	-	-	-	(28,423)	(28,423)
-	-	-	-	28,423	28,423	-
$ -	$ -	$ -	$ -	$ 28,423	$ -	$ (28,423)

MACON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Flood Disaster Loan		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	$ -	$ -	$ -
Miscellaneous	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
Conservation and development	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenue over (under) expenditures	-	-	-
Fund balance - beginning	171,949	171,949	-
Fund balance - ending	$ 171,949	$ 171,949	$ -

CDBG 10h-y-096-1-5234			EIP Revolving Loan			
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
$ 94,579	$ 47,155	$ (47,424)	$ -	$ -	$ -	$ -
-	-	-	-	19,000	12,171	(6,829)
94,579	47,155	(47,424)	-	19,000	12,171	(6,829)
94,579	47,155	47,424	-	19,000	19,000	-
94,579	47,155	47,424	-	19,000	19,000	-
-	-	-	-	-	(6,829)	(6,829)
-	-	-	496,750	496,750	496,750	-
$ -	$ -	$ -	$ 496,750	$ 496,750	$ 489,921	$ (6,829)

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

T-SPLOST – to account for the costs associated with transportation projects such as highway rehabilitations. These improvements are financed by a special one percent sales tax.

Local Maintenance & Improvement Grant (LMIG) – to account for the 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
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Whitewater, Administration Building and Infrastructure	2006 SPLOST	T-SPLOST	LMIG	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and cash equivalents	$ 73,658	$ 487,771	$ 249,755	$ 466,567	$ 1,277,751
Due from other governments	-	-	51,878	-	51,878
Due from other funds	-	-	-	27	27
Total assets	73,658	487,771	301,633	466,594	1,329,656
LIABILITIES AND FUND BALANCE					
Accounts payable and accrued payables	-	-	-	15,662	15,662
Due to other funds	-	18,000	100	-	18,100
Total liabilities	-	18,000	100	15,662	33,762
FUND BALANCE					
Restricted	73,658	469,771	301,533	450,932	1,295,894
Total fund balance	73,658	469,771	301,533	450,932	1,295,894
Total liabilities and fund balance	$ 73,658	$ 487,771	$ 301,633	$ 466,594	$ 1,329,656

MACON COUNTY, GEORGIA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	Whitewater, Administration Building and Infrastructure	2006 SPLOST	T-SPLOST	LMIG	Total Nonmajor Capital Projects Funds
REVENUES					
Intergovernmental	$ -	$ -	$ 301,533	$ 466,594	$ 768,127
Investment income	83	112	-	-	195
Total revenues	83	112	301,533	466,594	768,322
EXPENDITURES					
Current:					
Public safety	-	20,130	-	-	20,130
Capital Outlay					
Public safety	-	57,206	-	-	57,206
Highways and streets	-	52,400	-	15,662	68,062
Total expenditures	-	129,736	-	15,662	145,398
Excess (deficiency) of revenues over (under) expenditures	83	(129,624)	301,533	450,932	622,924
Net change in fund balance	83	(129,624)	301,533	450,932	622,924
Fund balance - beginning	73,575	599,395	-	-	672,970
Fund balance - ending	$ 73,658	$ 469,771	$ 301,533	$ 450,932	$ 1,295,894

FIDUCIARY FUNDS

Agency Funds

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

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

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

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

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

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

MACON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Sheriff				
ASSETS				
Cash	$ 2,969	$ 45,415	$ 43,811	$ 4,573
Total assets	$ 2,969	$ 45,415	$ 43,811	$ 4,573
LIABILITIES				
Due to state	$ 2,744	$ 7,857	$ 6,941	$ 3,660
Other	225	37,558	36,870	913
Total liabilities	$ 2,969	$ 45,415	$ 43,811	$ 4,573
Tax Commissioner				
ASSETS				
Cash	$ 26,518	$ 10,585,303	$ 10,467,305	$ 144,516
Total assets	$ 26,518	$ 10,585,303	$ 10,467,305	$ 144,516
LIABILITIES				
Due to other funds:				
General fund	$ -	$ 3,903,978	$ 3,903,978	$ -
Due to other taxing units:				
Macon County School Board	15,698	5,911,065	5,858,211	68,552
City of Ideal	133	8,523	7,758	898
City of Oglethorpe	748	28,527	26,705	2,570
City of Montezuma	1,875	85,248	79,969	7,154
City of Marshallville	1,242	36,449	35,378	2,313
Due to state	6,822	602,871	551,395	58,298
Other	-	8,642	3,911	4,731
Total liabilities	$ 26,518	$ 10,585,303	$ 10,467,305	$ 144,516

MACON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Clerk of Superior Court				
ASSETS				
Cash	$ 367,425	$ 215,774	$ 224,190	$ 359,009
Total assets	$ 367,425	$ 215,774	$ 224,190	$ 359,009
LIABILITIES				
Due to other funds	$ -	$ 95,001	$ 95,001	$ -
Due to state	11,269	83,750	76,564	18,455
Retirement payable:				
Clerk's, Peace Officers' and Sheriff	269	3,278	2,417	1,130
Funds held in escrow	351,496	28,550	46,092	333,954
Other	4,391	5,195	4,116	5,470
Total liabilities	$ 367,425	$ 215,774	$ 224,190	$ 359,009
Probate Court				
ASSETS				
Cash	$ 16,368	$ 64,850	$ 70,525	$ 10,693
Total assets	$ 16,368	$ 64,850	$ 70,525	$ 10,693
LIABILITIES				
Due to other funds:				
General fund	$ -	$ 37,312	$ 37,312	$ -
Jail fund	-	2,563	2,563	-
Law library fund	-	1,230	1,230	-
Due to state	1,004	9,503	10,053	454
Retirement payable	379	3,038	3,248	169
Other	14,985	11,204	16,119	10,070
Total liabilities	$ 16,368	$ 64,850	$ 70,525	$ 10,693

MACON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Magistrate Court				
ASSETS				
Cash	$ 15,585	$ 220,783	$ 221,062	$ 15,306
Total assets	$ 15,585	$ 220,783	$ 221,062	$ 15,306
LIABILITIES				
Due to other funds:				
General fund	$ -	$ 56,102	$ 56,102	$ -
Due to state	897	10,968	11,049	816
Retirement payable	251	3,002	3,034	219
Restitution payable	12,410	145,818	145,656	12,572
Funds held in escrow	1,612	175	498	1,289
Other	415	4,718	4,723	410
Total liabilities	$ 15,585	$ 220,783	$ 221,062	$ 15,306
Special Sales Tax Fund				
ASSETS				
Cash	$ 102,458	$ 20	$ 21,986	$ 80,492
Total assets	$ 102,458	$ 20	$ 21,986	$ 80,492
LIABILITIES				
Due to other taxing authorities:				
City of Ideal	$ 912	$ -	$ -	$ 912
City of Oglethorpe	73,593	14	-	73,607
City of Montezuma	1,071	1	-	1,072
City of Marshallville	26,882	5	21,986	4,901
Total liabilities	$ 102,458	$ 20	$ 21,986	$ 80,492

MACON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

Total - All Agency Funds	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS				
Cash	$ 531,323	$ 11,132,145	$ 11,048,879	$ 614,589
Total assets	$ 531,323	$ 11,132,145	$ 11,048,879	$ 614,589
LIABILITIES				
Due to other funds	$ -	$ 4,096,186	$ 4,096,186	$ -
Due to other taxing units	122,154	6,069,832	6,030,007	161,979
Due to state	22,736	714,949	656,002	81,683
Retirement payable	899	9,318	8,699	1,518
Restitution payable	12,410	145,818	145,656	12,572
Funds held in escrow	353,108	28,725	46,590	335,243
Other	20,016	67,317	65,739	21,594
Total liabilities	$ 531,323	$ 11,132,145	$ 11,048,879	$ 614,589

SUPPLEMENTARY DATA SECTION

MACON COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
10h-y-096-1-5234
PROJECT COST SCHEDULE
FOR THE PERIOD ENDING JUNE 30, 2013

			Expenditures			
Program Activity	**Activity Number**	**Revised Budget**	**Prior Years**	**Restated Prior Years**	**Current Years**	**Total**
Rehabilitation	H-14A-01	$ 266,941	$ 197,041	$ 200,041	$ 45,355	$ 245,396
Reconstruction	H-14A-02	181,804	168,781	165,781	-	165,781
Administration	A-21A-00	34,780	32,131	32,131	1,800	33,931
Contingencies	C-022-00	13,338	-	-	-	-
Totals		$ 496,863	$ 397,953	$ 397,953	$ 47,155	$ 445,108

Source of Other Funds: Local Match

MACON COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
12h-y-096-1-5495
PROJECT COST SCHEDULE
FOR THE PERIOD ENDING JUNE 30, 2013

Program Activity	Activity Number	Budget	Expenditures		
			Prior Years	Current Years	Total
Rehabilitation	H-14A-01	$ 209,415	$ -	$ 71,990	$ 71,990
Reconstruction	H-14A-02	232,936	-	20	20
Administration	A-21A-00	35,000	-	8,034	8,034
Contingencies	C-022-00	22,649	-	-	-
Totals		$ 500,000	$ -	$ 80,044	$ 80,044

Source of Other Funds: Local Match

MACON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed-Through Georgia Department of Homeland Security			
Emergency Management Performance Grants	97.042	OEM 12-096	6,369
Total U.S. Department of Homeland Security			6,369
U.S. Department of Housing and Urban Development			
Passed-Through Georgia Department of Community Affairs:			
Community Development Block Grant, State Program	14.228	10h-y-096-1-5234	$ 47,155
Community Development Block Grant, State Program	14.228	12h-y-096-1-5234	80,044
Total of CFDA 14.228			127,199
Total U.S. Department of Housing and Urban Development			127,199
U.S. Department of Transportation			
Passed-Through Georgia Department of Transportation:			
Formula Grants for Other Than Urbanized Areas	20.509	T003524	47,779
Total U.S. Department of Transportation			47,779
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 181,347

MACON COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Macon County, Georgia, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2. Non-Cash Awards

The County did not have any non-cash awards during the fiscal year.

Note 3. Matching Costs and Cost-Sharing Amounts

The Schedule does not include non-federal matching or cost-sharing amounts.

GOVERNMENT AUDIT SECTION

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

December 19, 2013

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia, as of and for the year ended June 30, 2013, 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 19, 2013.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon County, Georgia's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2013-1.

We noted certain matters that we reported to management of Macon County, Georgia, in a separate letter dated December 19, 2013.

Macon County, Georgia's Response to Findings

Macon County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Macon County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Butler, Williams & Hyche, LLC

Macon, Georgia

MACON COUNTY, GEORGIA
SCHEDULE OF FINDINGS
FOR YEAR ENDED JUNE 30, 2013

2013-1 ***Criteria –*** The Official Code of Georgia (OCGA), Section 48-8-121(a)(1), states that SPLOST proceeds shall be kept in a separate account from other funds of the County. The OCGA also states that the funds shall not in any manner be commingled with other County funds prior to their expenditure.

Condition – The County deposited $41,694 received from the 2010-2016 SPLOST in the General Fund checking account.

Cause of Condition – The County did not have adequate internal controls to ensure the proper recording of the SPLOST proceeds.

Effect of Condition – The County did not comply with state law that prohibits commingling of SPLOST funds.

Recommendation – We recommend that the County review this section of the OCGA to ensure that SPLOST proceeds are properly segregated and reported in the correct fund.

Response/Corrective Action Plan – We concur. The County staff will incorporate periodic reviews of SPLOST and all Capital Funds entries to ensure proper recording of all transactions.

STATE AUDIT SECTION

MACON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2013

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
2003 Referendum				
Road improvements	$ 3,349,498	$ 3,349,498	$ -	$ 3,349,498
Whitewater Creek Park	360,000	360,000	-	360,000
Administrative building	250,000	-	-	-
Road, streets, 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
Total Intergovernmental		2,545,000	-	2,545,000
Total		$ 9,313,588	$ -	$ 9,313,588
2006 Referendum				
Jail renovations and improvements	$ 500,000	$ 1,002,604	$ -	$ 1,002,604
Road, streets, drainage and bridge improvements	1,383,000	563,084	52,400	615,484
Public Works building and recreation projects	275,000	644,847	-	644,847
Fire stations	842,000	493,234	77,336	570,570
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
Total Intergovernmental		2,752,696	-	2,752,696
Total		$ 5,456,465	$ 129,736	$ 5,586,201
2010 Referendum				
Public Safety, Public Works, Recreation and Tax Assessor capital equipment purchases	$ 1,447,000	$ 34,199	$ 146,388	$ 180,587
Annex building, Health Dept., Courthouse, EMA, Literacy Center, and Gov. Office Building capital improvements	474,152	27,357	-	27,357
Road Improvements	1,421,152	-	174,880	174,880
Aquatic Recreation Facility	500,000	-	-	-
Intergovernmental				
City of Ideal	283,416	69,562	42,300	111,862
City of Marshallville	730,876	179,385	109,084	288,469
City of Montezuma	2,400,010	748,794	326,563	1,075,357
City of Oglethorpe	656,942	161,238	98,049	259,287
Total Intergovernmental		1,158,979	575,996	1,734,975
Total		$ 1,220,535	$ 897,264	$ 2,117,799