MACON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2014

MACON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Macon County, Georgia
Oglethorpe, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Macon County, Georgia**, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Macon County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health, which statements reflect total assets of $101,587 as of June 30, 2014, and total revenues of $309,565 for the year ended June 30, 2014. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Macon County Department of Public Health, is based solely on the report of the other 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 11) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of Macon County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 12, 2014

MACON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014. Please read it in conjunction with the County's financial statements.

Using This Annual Report

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

Government-wide Financial Statements

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

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

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

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

Business-type activities - The County's solid waste operations are reported here. These business-type activities were financed in whole, or in part, by user charges including landfill tipping fees. The only activity taking place in the business-type 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 three major governmental funds namely, the General Fund, the 2010 Capital Projects Fund and the Transportation Special Purpose Local Option Sales Tax or T-SPLOST Fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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 2014, Macon County's governmental funds reported combined fund balances totaling $7,647,933; an increase of $842,529. Approximately 45.7 percent ($3.5 million) of the combined fund balances for governmental funds is available for spending. The remaining 54.3 percent ($4.1 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 7,942,881	$ 7,225,889	$ 666,302	$ 676,464	$ 8,609,183	$ 7,902,353
Capital Assets	11,612,020	11,694,652	-	-	11,612,020	11,694,652
Total Assets	19,554,901	18,920,541	666,302	676,464	20,221,203	19,597,005
Long-term liabilities	577,825	427,239	507,272	531,011	1,085,097	958,250
Other liabilities	294,948	420,485	-	-	294,948	420,485
Total liabilities	872,773	847,724	507,272	531,011	1,380,045	1,378,735
Net Position:						
Investment in capital assets	11,612,020	11,694,652	-	-	11,612,020	11,694,652
Restricted	4,149,968	3,301,989	-	-	4,149,968	3,301,989
Unrestricted	2,920,140	3,076,176	159,030	145,453	3,079,170	3,221,629
Total Net Position	$ 18,682,128	$ 18,072,817	$ 159,030	$ 145,453	$ 18,841,158	$ 18,218,270

	Governmental Activities		Business-type Activities		Total	
Revenues:	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	$ 1,203,090	$ 1,415,216	$ -	$ -	$ 1,203,090	$ 1,415,216
Operating grants and contributions	52,920	53,517	-	-	52,920	53,517
Capital grants and contributions	695,911	896,222	-	-	695,911	896,222
General revenues:						
Property taxes	4,077,801	3,817,416	-	-	4,077,801	3,817,416
Sales taxes	2,142,603	1,068,276	-	-	2,142,603	1,068,276
Other taxes	436,337	575,830	-	-	436,337	575,830
Other	11,931	13,022	4,416	4,108	16,347	17,130
Total Revenues	8,620,593	7,839,499	4,416	4,108	8,625,009	7,843,607
Expenses:						
General Government	1,423,689	1,335,754	-	-	1,423,689	1,335,754
Judicial	578,412	632,206	-	-	578,412	632,206
Public Safety	1,632,414	1,559,137	-	-	1,632,414	1,559,137
Public Works	1,925,608	1,700,492	-	-	1,925,608	1,700,492
Health and Welfare	1,058,163	792,333	-	-	1,058,163	792,333
Housing and Development	834,004	362,075	-	-	834,004	362,075
Culture and Recreation	558,992	335,849	-	-	558,992	335,849
Landfill	-	-	(9,161)	(6,832)	(9,161)	(6,832)
Total Expenses	8,011,282	6,717,846	(9,161)	(6,832)	8,002,121	6,711,014
Transfers	-	-	-	-	-	-
Increase in net position	609,311	1,121,653	13,577	10,940	622,888	1,132,593
Net position-beginning	18,072,817	16,951,164	145,453	134,513	18,218,270	17,085,677
Net assets-ending	$ 18,682,128	$ 18,072,817	$ 159,030	$ 145,453	$ 18,841,158	$ 18,218,270

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 2014, total assets were $3.8 million and total liabilities were $0.28 million. The ending fund balance of $3.5 million represents 57% 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 2014, $6.178 million, exceeded the total expenditures of $6.133 million by $45 thousand.

During Fiscal Year 2014, General Fund Revenues for the year, $6.178 million, were more than budget by 2.9 percent. Taxes comprised 81% of the General Fund's revenue stream in Fiscal Year 2014. Total General Fund Expenditures for Fiscal Year 2014 were $6.133 million, 98.5% of the final amended budget.

During fiscal Year 2014, the General Fund transferred $50,928 to the Transit Fund to offset a 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 projects 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 2014 were $1.0 million and expenditures were $.69 million resulting in an end of year fund balance of $1.5 million.

Transportation Special Purpose Local Option Sales Tax Fund (T-SPLOST) – is a major capital projects fund used to account for the use of Special Purpose Local Option Sales Tax levied in 2013 for the specific purpose of maintaining and improving the state and county road network. Seventy-five (75) percent of the funds generated go directly to the state for two major projects for the County. The remaining 25 percent is accounted in this fund by the County and is designated for transportation related expenditures including improvements to roads, bridges, road department operating cost and the purchase of equipment. Revenues for Fiscal Year 2014 were $.58 million and there were no expenditures, resulting in an end of year fund balance of $.88 million. (Prior year fund balance was included in non-major governmental funds).

Non-Major Governmental Funds – is a summary of non-major special revenue funds and non-major capital project funds. Special revenues are derived from the Law Library, Law Enforcement fines and activities, Jail fines, CDBG grants, operation of the Transit system, and County managed loan funds. The non-major capital funds include funds from SPLOST proceeds levied prior to 2010, building and infrastructure for Whitewater Creek Park and Local Maintenance and Improvement Grant (LMIG) funds. Non-major governmental fund revenues for the Fiscal Year 2014 were $808,745 and expenditures were $954,618 resulting in an end of year fund balance of $1.7 million.

Major Proprietary Funds

Landfill Enterprise Fund – This fund is the County's only Proprietary Fund and is used to account for the sanitary landfill in compliance with state and federal requirements. The landfill has been closed since June 1997. Total assets were $0.68 million and total liabilities were $0.52 million at the end of Fiscal Year 2014. There was no Operating Income and the only Operating Expenses consisted of a $9,161 credit of post-closure costs. Interest revenue provided the only revenue for the fund.

Capital Assets and Debt Administration

Capital Assets - In Fiscal Year 2014, investments in capital assets for governmental activities decreased $.15 million, (net of accumulated depreciation). At year end, the closed landfill had no capital assets. Governmental activities capital investment amounts to $11.6 million. During the year, the County made expenditures of $498 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 2014. 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 2014 is $1.1 million. For more information on the capital assets and long-term debt, please refer to the notes to the financial statements.

Requests for Information

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

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Units	
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Development Authority**	**Health Department**
Cash and cash equivalents	$ 6,710,797	$ -	$ 6,710,797	$ 51,100	$ 95,462
Investments	375,000	680,881	1,055,881	-	-
Taxes receivable	52,496	-	52,496	-	-
Accounts receivable, net of allowances	2,857	-	2,857	-	-
Notes receivable	409,836	-	409,836	26,145	-
Internal balances	14,579	(14,579)	-	-	-
Due from other governments	377,316	-	377,316	750	6,125
Capital assets, non-depreciable	642,111	-	642,111	50,524	-
Capital assets, depreciable, net accumulated depreciation	10,969,909	-	10,969,909	46,742	-
Total assets	19,554,901	666,302	20,221,203	175,261	101,587
LIABILITIES					
Accounts payable	203,936	-	203,936	1,090	-
Accrued salaries	91,012	-	91,012	920	-
Due to other governments	-	-	-	268	-
Compensated absences due within one year	72,616	-	72,616	-	-
Compensated absences due in more than one year	91,989	-	91,989	-	6,751
Accrued closure/postclosure care costs due within one year	-	22,035	22,035	-	-
Accrued closure/postclosure care costs due in more than one year	413,220	485,237	898,457	-	-
Total liabilities	872,773	507,272	1,380,045	2,278	6,751
NET POSITION					
Investment in capital assets	11,612,020	-	11,612,020	97,266	-
Restricted for:					
Capital improvements	3,304,184	-	3,304,184	-	-
Judicial programs	12,086	-	12,086	-	-
Public safety	173,371	-	173,371	-	-
Housing and development	250,491	-	250,491	-	-
Unrestricted	3,329,976	159,030	3,489,006	75,717	94,836
Total net position	$ 18,682,128	$ 159,030	$ 18,841,158	$ 172,983	$ 94,836

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

MACON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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	$ 1,423,689	$ 294,483	$ 1,124	$ -
Judicial	578,412	167,615	-	-
Public safety	1,632,414	37,559	6,369	-
Public works	1,925,608	225,467	-	338,966
Health and welfare	1,058,163	397,987	45,427	-
Culture and recreation	387,522	-	-	356,945
Conservation and development	928,804	79,979	-	-
Economic development	76,670	-	-	-
Total governmental activities	8,011,282	1,203,090	52,920	695,911
Business-type activities:				
Solid waste disposal	-	9,161	-	-
Total business-type activities	-	9,161	-	-
Total primary government	$ 8,011,282	$ 1,212,251	$ 52,920	$ 695,911
Component units:				
Development Authority	$ 121,518	$ 26,000	$ 72,695	$ -
Health Department	292,306	65,729	243,836	-
Total component units	$ 413,824	$ 91,729	$ 316,531	$ -
General revenues:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Insurance premium taxes				
Franchise taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position				
			Component Units	
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
$ (1,128,082)	$ -	$ (1,128,082)	$ -	$ -
(410,797)	-	(410,797)	-	-
(1,588,486)	-	(1,588,486)	-	-
(1,361,175)	-	(1,361,175)	-	-
(614,749)	-	(614,749)	-	-
(30,577)	-	(30,577)	-	-
(848,825)	-	(848,825)	-	-
(76,670)	-	(76,670)		
(6,059,361)	-	(6,059,361)	-	-
-	9,161	9,161	-	-
-	9,161	9,161	-	-
$ (6,059,361)	$ 9,161	$ (6,050,200)	$ -	$ -
$ -	$ -	$ -	$ (22,823)	$ -
-	-	-	-	17,259
$ -	$ -	$ -	$ (22,823)	$ 17,259
4,077,801	-	4,077,801	-	-
2,142,603	-	2,142,603	-	-
35,334	-	35,334	-	-
371,767	-	371,767	-	-
134	-	134	-	-
29,102	-	29,102	-	-
11,931	4,416	16,347	1,672	-
6,668,672	4,416	6,673,088	1,672	-
609,311	13,577	622,888	(21,151)	17,259
18,072,817	145,453	18,218,270	194,134	77,577
$ 18,682,128	$ 159,030	$ 18,841,158	$ 172,983	$ 94,836

MACON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
Cash and cash equivalents	$ 3,108,148	$ 1,480,795	$ 788,089	$ 1,333,765	$ 6,710,797
Investments	375,000	-	-	-	375,000
Taxes receivable	52,496	-	-	-	52,496
Accounts receivable	2,857	-	-	-	2,857
Notes receivable	-	-	-	409,836	409,836
Due from other governments	231,264	48,205	97,847	-	377,316
Due from other funds	14,679	-	-	-	14,679
Total assets	$ 3,784,444	$ 1,529,000	$ 885,936	$ 1,743,601	$ 7,942,981
LIABILITIES					
Accounts and contracts payable	$ 195,467	$ -	$ -	$ 8,469	$ 203,936
Accrued liabilities	91,012	-	-	-	91,012
Due to other funds	-	-	-	100	100
Total liabilities	286,479	-	-	8,569	295,048
FUND BALANCES					
Nonspendable - long-term notes receivable	-	-	-	409,836	409,836
Restricted for:					
Capital improvements	-	1,529,000	885,936	889,248	3,304,184
Judicial programs	-	-	-	12,086	12,086
Public safety	-	-	-	173,371	173,371
Housing and development	-	-	-	250,491	250,491
Unassigned	3,497,965	-	-	-	3,497,965
Total fund balances	3,497,965	1,529,000	885,936	1,735,032	7,647,933
Total liabilities and fund balances	$ 3,784,444	$ 1,529,000	$ 885,936	$ 1,743,601	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,612,020
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(164,605)
Closure/Post-closure care costs	(413,220)
Net position of governmental activities	$ 18,682,128

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

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
Revenues:					
Property taxes	$ 4,077,801	$ -	$ -	$ -	$ 4,077,801
Sales taxes	509,627	1,048,573	584,403	-	2,142,603
Other taxes	436,337	-	-	-	436,337
Licenses and permits	56,909	-	-	-	56,909
Intergovernmental	7,493	-	-	741,041	748,534
Charges for services	973,904	-	-	31,155	1,005,059
Fines and forfeitures	44,623	-	-	25,129	69,752
Investment income	511	297	-	11,420	12,228
Other revenues	71,370	-	-	-	71,370
Total revenues	6,178,575	1,048,870	584,403	808,745	8,620,593
Expenditures:					
Current:					
General government	1,362,751	-	-	-	1,362,751
Judicial	651,828	-	-	5,128	656,956
Public safety	1,492,526	-	-	8,303	1,500,829
Public works	1,205,839	-	-	-	1,205,839
Health and welfare	912,466	-	-	127,510	1,039,976
Culture and recreation	311,305	-	-	-	311,305
Conservation and development	119,712	-	-	369,812	489,524
Economic development	76,670				
Intergovernmental		518,933	-	-	518,933
Capital outlay		171,416	-	443,865	615,281
Total expenditures	6,133,097	690,349	-	954,618	7,701,394
Excess (deficiency) of revenues over (under) expenditures	45,478	358,521	584,403	(145,873)	919,199
Other financing sources (uses):					
Transfers in	-	-	-	50,928	50,928
Transfers out	(50,928)	-	-	-	(50,928)
Total other financing sources (uses)	(50,928)	-	-	50,928	-
Net change in fund balances	(5,450)	358,521	584,403	(94,945)	842,529
Fund balance, beginning of year	3,503,415	1,170,479	301,533	1,829,977	6,805,404
Fund balance, end of year	$ 3,497,965	$ 1,529,000	$ 885,936	$ 1,735,032	$ 7,647,933

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

MACON COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds	$	842,529
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay		498,387
Depreciation		(581,019)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in:		
Closure/post-closure care costs		(155,699)
Compensated absences		5,113
Change in net position	$	609,311

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

MACON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 3,632,415	$ 3,800,516	$ 4,077,801	$ 277,285
Sales taxes	545,000	545,000	509,627	(35,373)
Other taxes	413,600	413,600	436,337	22,737
Licenses and permits	66,150	66,150	56,909	(9,241)
Intergovernmental	7,369	7,369	7,493	124
Charges for services	871,000	1,056,787	973,904	(82,883)
Fines and forfeitures	36,400	42,400	44,623	2,223
Investment income	100	100	511	411
Other revenues	74,264	74,264	71,370	(2,894)
Total revenues	5,646,298	6,006,186	6,178,575	172,389
Expenditures:				
Current:				
General government:				
County commissioners	769,117	731,453	722,229	9,224
Board of elections	83,267	73,267	71,973	1,294
Tax commissioner	172,427	172,427	169,265	3,162
Tax assessor	228,665	228,665	224,698	3,967
Public buildings	98,108	167,830	163,481	4,349
Other general government	11,200	12,000	11,105	895
Total general government	1,362,784	1,385,642	1,362,751	22,891
Judicial:				
Superior court	47,500	44,307	37,414	6,893
Clerk of superior court	155,753	135,753	130,666	5,087
Magistrate court	135,115	137,171	137,032	139
Probate court	132,814	132,814	125,902	6,912
Juvenile court	26,100	21,100	20,691	409
District attorney and legal services	151,643	205,882	200,123	5,759
Total judicial	648,925	677,027	651,828	25,199
Public safety:				
Sheriff	766,230	769,730	769,697	33
Fire	59,210	60,710	60,187	523
Jail	580,325	585,325	584,000	1,325
E911	29,500	30,500	30,426	74
Civil defense	20,649	31,258	29,627	1,631
Coroner	18,620	18,620	18,589	31
Total public safety	1,474,534	1,496,143	1,492,526	3,617

(Continued)

MACON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current:				
Public works:				
Highways and streets	$ 860,567	$ 906,067	$ 899,206	$ 6,861
Waste collection	216,000	226,300	226,290	10
Middle Georgia Regional Solid Waste Management Authority	12,628	12,628	12,628	-
Motor vehicle maintenance	99,878	69,878	67,715	2,163
Total public works	1,189,073	1,214,873	1,205,839	9,034
Health and welfare:				
Physical health	90,928	90,928	90,928	-
Ambulance services	539,246	769,209	765,613	3,596
DFACS	4,998	4,998	4,800	198
Literacy Council	36,000	36,725	36,725	-
Middle Flint Council on Aging	14,400	14,400	14,400	-
Total health and welfare	685,572	916,260	912,466	3,794
Culture and recreation:				
Recreation	183,393	199,943	198,640	1,303
Whitewater Creek Park	106,594	114,519	112,065	2,454
Library	300	600	600	-
Total culture and recreation	290,287	315,062	311,305	3,757
Conservation and development:				
County agent	68,039	68,039	50,606	17,433
Georgia Forestry Commission	14,457	14,457	14,457	-
Planning and zoning	3,850	3,850	1,211	2,639
Building inspection	48,384	54,440	53,438	1,002
Total housing and development	134,730	140,786	119,712	21,074
Economic development:				
Middle Flint RDC	7,840	7,840	7,840	-
Development Authority	68,830	68,830	68,830	-
Total economic development	76,670	76,670	76,670	-
Total expenditures	5,862,575	6,222,463	6,133,097	89,366
Excess (deficiency) of revenues over (under) expenditures	(216,277)	(216,277)	45,478	261,755
Other financing sources (uses):				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	(53,723)	(53,723)	(50,928)	2,795
Total other financing sources (uses)	(33,723)	(33,723)	(50,928)	(17,205)
Net change in fund balance	(250,000)	(250,000)	(5,450)	244,550
Fund balance, beginning of year	3,503,415	3,503,415	3,503,415	-
Fund balance, end of year	$ 3,253,415	$ 3,253,415	$ 3,497,965	$ 244,550

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

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND

JUNE 30, 2014

	Solid Waste Disposal Fund
ASSETS	
Noncurrent assets:	
Investments	$ 680,881
Total assets	680,881
LIABILITIES	
Current liabilities:	
Due to other funds	14,579
Closure/postclosure care costs due within one year	22,035
Total current liabilities	36,614
Long-term liabilities:	
Closure/postclosure care costs due in more than one year	485,237
Total long-term liabilities	485,237
Total liabilities	521,851
NET POSITION	
Unrestricted	159,030
Total net position	$ 159,030

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

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Solid Waste Disposal Fund
OPERATING REVENUES	
Change in post closure care cost estimate	$ 9,161
Total operating revenues	9,161
OPERATING EXPENSES	
Post closure care cost	-
Total operating expenses	-
Operating income	9,161
NONOPERATING REVENUE	
Interest income	4,416
Change is post closure care cost estimate	-
Total nonoperating revenue	4,416
Change in net position	13,577
NET POSITION, beginning of year	145,453
NET POSITION, end of year	$ 159,030

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

MACON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Solid Waste Disposal Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (15,296)
Net cash used in operating activities	(15,296)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	15,296
Net cash provided by investing activities	15,296
Net increase in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	$ -
Reconciliation of operating income to net cash used in operating activities:	
Operating income	$ 9,161
Adjustments to reconcile operating income to net cash used in operating activities:	
Increase in closure/post-closure payable	(23,739)
Decrease in due to other funds	(718)
Net cash used in operating activities	$ (15,296)

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

MACON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 474,271
Total assets	$ 474,271
LIABILITIES	
Due to other taxing units	$ 46,240
Due to state	53,906
Retirement payable	627
Restitution payable	10,289
Funds held in escrow	324,919
Due to others	38,290
Total liabilities	$ 474,271

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Macon County is a political subdivision of the State of Georgia. The County is governed by an elected board of five County Commissioners, which is governed by state statutes and regulations, providing the following services as authorized by its charter: public safety, highways and streets, solid waste collections, health and social services, culture and recreation, court system, public improvements, and general administrative services.

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

Discretely Presented Component Units

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

The Development Authority of Macon County (the "Authority") is governed by a nine-member board appointed by the Board of Commissioners of Macon County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. The Authority has a June 30th year-end and is presented as a governmental fund type component unit. Separate financial statements are not prepared for the Authority.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants which are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

The ***2010 Capital 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 public works, sheriff, emergency medical services, fire, recreation, tax assessor's office and Whitewater Creek park. These improvements are financed by a special one percent sales tax.

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

The County reports the following major proprietary fund:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital projects fund*** accounts for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

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

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

E. Cash and Investments

The County's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

F. Interfund Receivables and Payables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items

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

H. Capital Assets

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

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

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

I. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Inflows / Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County had no items that qualified for reporting in this category at June 30, 2014.

Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has no items that qualify for reporting in this category at June 30, 2014.

K. Fund Equity

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

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners, the County's highest level of decision making authority, through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Under the County's policy, amounts may be assigned by the Board of Commissioners or the County Manager.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

The County's policy establishes minimum levels of fund balance to be committed to a Rainy Day Stabilization category. The General Fund is to have a target level based on the County's general operating expenditures. The fund balance target for the General Fund shall not be less than 25% of regular General Fund operating revenues or regular General Fund operating expenditures. These amounts will be classified as committed. At June 30, 2014, the Board of Commissioners had not taken any action to commit any amounts to a Rainy Day Stabilization category.

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

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

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

L. Use of Estimates

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

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits and investments. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, the County's deposits and investments, and the Development Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

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

Investment	Fair Value	Maturity
Certificate of deposit	$ 375,000	November 17, 2014
Certificate of deposit	680,881	October 3, 2014
	$ 1,055,881	

The Health Department does not have a deposit policy for custodial credit risk. As of June 30, 2014, 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.

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

NOTE 3. RECEIVABLES

Receivables at June 30, 2014, consist of the following:

	General Fund	2010 Capital Projects Fund	TSPLOST Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 52,496	$ -	$ -	$ -	$ 52,496
Accounts	2,857	-	-	-	2,857
Notes	-	-	-	409,836	409,836
Other governments	231,264	48,205	97,847	-	377,316
Net receivables	$ 286,617	$ 48,205	$ 97,847	$ 409,836	$ 842,505

Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. Taxes were levied on September 17, 2013, based on property values as of January 1st. Tax bills are mailed at least 60 days prior to the due date and were due and payable on December 20, 2013, after which the applicable property is subject to lien. The County bills and collects its own property taxes. The receivables collected during the year ended June 30, 2014, and collected by August 31, 2014, are recognized as revenues in the year ended June 30, 2014.

The Development Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. In fiscal year 2005, the Authority loaned $50,000 to a local business with a maturity of seven years and an interest rate of 4.00%. The maturity date of this note has been extended twice and the outstanding balance as of June 30, 2014 is $19,352 with a due date of July 10, 2014. In October 2012, the Authority made a $7,000 business start-up loan at an interest rate of 4.00% with a 120-day maturity. The maturity date of this note has been extended three times and the outstanding balance of $6,793 is now due on January 16, 2015.

NOTE 4. CAPITAL ASSETS

A. Primary Government

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 627,612	$ -	$ -	$ -	$ 627,612
Construction in progress	16,183	13,978	-	(15,662)	14,499
Total capital assets, not being depreciated	643,795	13,978	-	(15,662)	642,111
Capital assets, being depreciated:					
Buildings	7,832,501	68,954	-	-	7,901,455
Infrastructure	5,973,291	268,587	-	15,662	6,257,540
Improvements	300,847	-	-	-	300,847
Machinery and equipment	3,275,507	146,868	-	-	3,422,375
Total capital assets, being depreciated	17,382,146	484,409	-	15,662	17,882,217
Less accumulated depreciation for:					
Buildings	2,670,341	180,117	-	-	2,850,458
Infrastructure	871,450	214,466	-	-	1,085,916
Improvements	254,509	7,546	-	-	262,055
Machinery and equipment	2,534,989	178,890	-	-	2,713,879
Total accumulated depreciation	6,331,289	581,019	-	-	6,912,308
Total capital assets, being depreciated, net	11,050,857	(96,610)	-	15,662	10,969,909
Governmental activities capital assets, net	$ 11,694,652	$ (82,632)	$ -	$ -	$ 11,612,020

NOTE 4. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 47,849
Judicial	2,715
Public safety	121,049
Public works	329,228
Health and welfare	19,074
Culture and recreation	58,235
Conservation and development	2,869
Total depreciation expense - governmental activities	$ 581,019

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 50,524	$ -	$ -	$ 50,524
Total capital assets, not being depreciated	50,524	-	-	50,524
Capital assets, being depreciated:				
Building	88,662	-	-	88,662
Improvements other than buildings	104,256	-	-	104,256
Total capital assets, being depreciated	192,918	-	-	192,918
Less accumulated depreciation for:				
Building	88,662	-	-	88,662
Improvements other than buildings	47,088	10,426	-	57,514
Total accumulated depreciation	135,750	10,426	-	146,176
Total capital assets, being depreciated, net	57,168	(10,426)	-	46,742
Total capital assets, net	$ 107,692	$ (10,426)	$ -	$ 97,266

NOTE 4. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	25,716	-	-	25,716
Total capital assets, being depreciated	25,716	-	-	25,716
Less accumulated depreciation for:				
Machinery and equipment	25,716	-	-	25,716
Total accumulated depreciation	25,716	-	-	25,716
Total capital assets, net	$ -	$ -	$ -	$ -

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Landfill closure/postclosure	$ 257,521	$ 155,699	$ -	$ 413,220	$ -
Compensated absences	169,718	69,759	(74,872)	164,605	72,616
Governmental activities long-term liabilities	$ 427,239	$ 225,458	$ (74,872)	$ 577,825	$ 72,616
Business-type Activities:					
Landfill postclosure care	$ 531,011	$ -	$ (23,739)	$ 507,272	$ 22,035
Business-type activities long-term liabilities	$ 531,011	$ -	$ (23,739)	$ 507,272	$ 22,035

NOTE 5. LONG-TERM DEBT (CONTINUED)

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, landfill closure care costs are liquidated by the Solid Waste Disposal Fund.

Middle Georgia Regional Solid Waste Management Authority Landfill Postclosure Care: Federal laws and regulations require the Middle Georgia Regional Solid Waste Management Authority to place a final cover on its landfill site when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The total estimated liability for landfill closure and postclosure care costs has a balance of $1,444,824 as of June 30, 2014 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of June 30, 2014.

In 2013, the Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/postclosure care costs of the landfill based on the percentage of ownership of each county in the Authority. The County's ownership percentage is 28.6% resulting in a closure/postclosure care liability of $413,220 at June 30, 2014. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are to be monitored through financial ratio testing on an annual basis. No commercial insurance has been purchased to satisfy financial assurance requirements.

Macon County Landfill Postclosure Care: State and federal laws and regulations require that Macon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. An expense provision and related liability has been recognized based on the future postclosure care cost that will be incurred after the date the landfill no longer accepted waste, which was June 30, 1997. The estimated liability for landfill postclosure care cost is $507,272 at June 30, 2014. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close monitor and maintain the landfill were acquired as of June 30, 2014. However, the actual cost of postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds:

Due To	Due From	Amount
General Fund	Nonmajor Governmental Funds	$ 100
General Fund	Solid Waste Disposal Fund	14,579
		$ 14,679

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The County had the following interfund transfer during the fiscal year ended June 30, 2014:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	$ 50,928
		$ 50,928

NOTE 7. PENSION PLAN

The County contributes to a deposit administration group annuity contract with Southern Farm Bureau, which is a defined contribution single-employer plan. The defined contribution pension plan provides pension benefits in return for services rendered and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual receives. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments on those contributions. In order to be eligible for the Plan, the employee must be employed with the County for two years and attain the age of 21. The employee's contributions vest 100% upon entering the plan. All contributions are paid entirely by the County.

NOTE 7. PENSION PLAN (CONTINUED)

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 $136,949, which was 7.09% of the covered payroll of $1,931,317. The County's total payroll was $2,747,760. The contributions are invested into annuity and life insurance products. Employees are given the option of contributing the funds, 51% to annuities and 49% to life insurance or 100% to annuities.

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

NOTE 8. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance in amounts deemed prudent by County management. Commercial insurance is carried for coverage of property, errors and omissions and professional liability.

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

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

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

NOTE 8. RISK MANAGEMENT (CONTINUED)

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

NOTE 9. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2014, the County paid $15,814 in such dues. Membership in the Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional commissions in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from the River Valley Regional Commission, 1428 2nd Avenue, Columbus, Georgia 31901.

The Middle Georgia Regional Solid Waste Management Authority was activated by the Board of Commissioners of Peach County, Macon County, and Dooly County on August 30, 1993, under the provisions of the Regional Solid Waste Management Authority Act (GA laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors. There are seven directors, with two directors representing each county and one director appointed by the directors themselves. The Authority is designed to research, study and plan for the solid waste management needs of the participating counties and to gather data and research for all phases of the solid waste management needs of the counties. The Authority does not have the power to borrow money, issue bonds, or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations. The total cost of the operations of the C&D cell and transfer station is funded from revenue received from tipping fees. Separate financial statements for the Middle Georgia Regional Solid Waste Management Authority can be obtained from the Middle Georgia Regional Solid Waste Management Authority's office in Oglethorpe, Georgia.

NOTE 10. COMMITMENTS AND CONTINGENCIES

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library Fund is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials. A separate Board of Trustees has control of the Law Library funds and has authority to expend funds in accordance with provisions of the Act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

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

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

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

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

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

Flood Disaster Loan Fund was 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 Fund accounts for the revenues received under a grant from the Georgia Department of Community Affairs to be used for a Housing Improvement Project.

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

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

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

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

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 437,046	$ 896,719	$ 1,333,765
Notes receivable	409,836	-	409,836
Total assets	$ 846,882	$ 896,719	$ 1,743,601
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 998	$ 7,471	$ 8,469
Due to other funds	100	-	100
Total liabilities	1,098	7,471	8,569
FUND BALANCES			
Nonspendable - long-term notes receivable	409,836	-	409,836
Restricted for:			
Capital improvements	-	889,248	889,248
Judicial programs	12,086	-	12,086
Public safety	173,371	-	173,371
Housing and development	250,491	-	250,491
Total fund balances	845,784	889,248	1,735,032
Total liabilities and fund balances	$ 846,882	$ 896,719	$ 1,743,601

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	$ 402,372	$ 338,669	$ 741,041
Charges for services	31,155	-	31,155
Fines and forfeitures	25,129	-	25,129
Investment income	11,337	83	11,420
Total revenues	469,993	338,752	808,745
Expenditures:			
Current:			
Judicial	5,128	-	5,128
Public safety	8,303	-	8,303
Health and welfare	127,510	-	127,510
Housing and development	369,812	-	369,812
Capital outlay	-	443,865	443,865
Total expenditures	510,753	443,865	954,618
Deficiency of revenues over expenditures	(40,760)	(105,113)	(145,873)
Other financing sources:			
Transfers in	50,928	-	50,928
Total other financing sources	50,928	-	50,928
Net change in fund balances	10,168	(105,113)	(94,945)
Fund balances, beginning of year	835,616	994,361	1,829,977
Fund balances, end of year	$ 845,784	$ 889,248	$ 1,735,032

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

ASSETS	Law Library	Drug Education	Jail Fines	Federal Forfeited Property	CDBG 12h-y-096 1-5495
Cash and cash equivalents	$ 13,084	$ 83,208	$ 88,296	$ 1,867	$ 4,033
Notes receivable	-	-	-	-	-
Total assets	$ 13,084	$ 83,208	$ 88,296	$ 1,867	$ 4,033
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 998	$ -	$ -	$ -	$ -
Due to other funds	-	-	-		
Total liabilities	998	-	-	-	-
FUND BALANCES					
Nonspendable - long-term notes receivable	-	-	-	-	-
Restricted for:					
Judicial programs	12,086	-	-	-	-
Public safety	-	83,208	88,296	1,867	-
Housing and development	-	-	-	-	4,033
Total fund balances	12,086	83,208	88,296	1,867	4,033
Total liabilities and fund balances	$ 13,084	$ 83,208	$ 88,296	$ 1,867	$ 4,033

Transit System	Flood Disaster Loan	CDBG 10h-y-096 1-5234	EIP Revolving Loan	Total Nonmajor Governmental Funds
$ -	$ 123,543	$ -	$ 123,015	$ 437,046
-	48,406	-	361,430	409,836
$ -	$ 171,949	$ -	$ 484,445	$ 846,882
$ -	$ -	$ -	$ -	$ 998
			100	100
-	-	-	100	1,098
-	48,406	-	361,430	409,836
-	-	-	-	12,086
-	-	-	-	173,371
-	123,543	-	122,915	250,491
-	171,949	-	484,345	845,784
$ -	$ 171,949	$ -	$ 484,445	$ 846,882

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property	CDBG 12h-y-096 1-5495
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ 338,586
Charges for services	-	-	-	-	-
Fines and forfeitures	2,380	2,989	19,760	-	-
Investment income	-	-	-	13	-
Total revenues	2,380	2,989	19,760	13	338,586
Expenditures:					
Current:					
Judicial	5,128	-	-	-	-
Public safety	-	-	-	8,303	-
Health and welfare	-	-	-	-	-
Conservation and development	-	-	-	-	334,553
Total expenditures	5,128	-	-	8,303	334,553
Excess (deficiency) of revenues over (under) expenditures	(2,748)	2,989	19,760	(8,290)	4,033
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(2,748)	2,989	19,760	(8,290)	4,033
Fund balances, beginning of year	14,834	80,219	68,536	10,157	-
Fund balances, end of year	$ 12,086	$ 83,208	$ 88,296	$ 1,867	$ 4,033

Transit System	Flood Disaster Loan	CDBG 10h-y-096 1-5234	EIP Revolving Loan	Total Nonmajor Governmental Funds
$ 45,427	$ -	$ 18,359	$ -	$ 402,372
31,155	-	-	-	31,155
-	-	-	-	25,129
-	-	-	11,324	11,337
76,582	-	18,359	11,324	469,993
-	-	-	-	5,128
-	-	-	-	8,303
127,510	-	-	-	127,510
-	-	18,359	16,900	369,812
127,510	-	18,359	16,900	510,753
(50,928)	-	-	(5,576)	(40,760)
50,928	-	-	-	50,928
50,928	-	-	-	50,928
-	-	-	(5,576)	10,168
-	171,949	-	489,921	835,616
$ -	$ 171,949	$ -	$ 484,345	$ 845,784

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Law Library			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,200	$ 5,200	$ 2,380	$ (2,820)
Total revenues	5,200	5,200	2,380	(2,820)
Expenditures:				
Current:				
Judicial	5,200	5,200	5,128	72
Total expenditures	5,200	5,200	5,128	72
Net change in fund balance	-	-	(2,748)	(2,748)
Fund balance, beginning of year	14,834	14,834	14,834	-
Fund balance, end of year	$ 14,834	$ 14,834	$ 12,086	$ (2,748)

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Drug Education			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 5,000	$ 2,989	$ (2,011)
Total revenues	5,000	5,000	2,989	(2,011)
Expenditures:				
Current:				
Public safety	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balance	-	-	2,989	2,989
Fund balance, beginning of year	80,219	80,219	80,219	-
Fund balance, end of year	$ 80,219	$ 80,219	$ 83,208	$ 2,989

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Jail Fines			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 20,000	$ 20,000	$ 19,760	$ (240)
Total revenues	20,000	20,000	19,760	(240)
Expenditures:				
Current:				
Public safety	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	-	20,000
Net change in fund balance	-	-	19,760	19,760
Fund balance, beginning of year	68,536	68,536	68,536	-
Fund balance, end of year	$ 68,536	$ 68,536	$ 88,296	$ 19,760

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Federal Forfeited Property			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 8,350	$ 8,350	$ -	$ (8,350)
Investment income	-	-	13	13
Total revenues	8,350	8,350	13	(8,337)
Expenditures:				
Current:				
Public safety	8,350	8,350	-	8,350
Total expenditures	8,350	8,350	-	8,350
Net change in fund balance	-	-	13	(13)
Fund balance, beginning of year	10,157	10,157	10,157	-
Fund balance, end of year	$ 10,157	$ 10,157	$ 10,170	$ (13)

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CDBG 12h-y-096-1-5495			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 350,000	$ 350,000	$ 338,586	$ (11,414)
Total revenues	350,000	350,000	338,586	(11,414)
Expenditures:				
Current:				
Conservation and development	350,000	350,000	334,553	15,447
Total expenditures	350,000	350,000	334,553	15,447
Net change in fund balance	-	-	4,033	4,033
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 4,033	$ 4,033

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Transit System			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 53,723	$ 53,723	$ 45,427	$ (8,296)
Charges for services	32,179	32,179	31,155	(1,024)
Total revenues	85,902	85,902	76,582	(9,320)
Expenditures:				
Current:				
Health and welfare	139,625	139,625	127,510	12,115
Total expenditures	139,625	139,625	127,510	12,115
Deficiency of revenues over expenditures	(53,723)	(53,723)	(50,928)	2,795
Other financing sources:				
Transfers in	53,723	53,723	50,928	(2,795)
Total other financing sources	53,723	53,723	50,928	(2,795)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	CDBG 10h-y-096-5234			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 18,359	$ 18,359	$ 18,359	$ -
Total revenues	18,359	18,359	18,359	-
Expenditures:				
Current:				
Conservation and development	18,359	18,359	18,359	
Total expenditures	18,359	18,359	18,359	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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

MACON COUNTY, GEORGIA

NONMAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	EIP Revolving Loan			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Investment income	$ 17,000	$ 17,000	$ 11,324	$ (5,676)
Total revenues	17,000	17,000	11,324	(5,676)
Expenditures:				
Current:				
Conservation and development	17,000	17,000	16,900	100
Total expenditures	17,000	17,000	16,900	100
Net change in fund balance	-	-	(5,576)	(5,576)
Fund balance, beginning of year	489,921	489,921	489,921	-
Fund balance, end of year	$ 489,921	$ 489,921	$ 484,345	$ (5,576)

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

MACON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2014

ASSETS	Whitewater Administration Building and Infrastructure	2006 SPLOST	LMIG	Total Nonmajor Capital Projects Funds
Cash and cash equivalents	$ 73,741	$ 457,883	$ 365,095	$ 896,719
Total assets	$ 73,741	$ 457,883	$ 365,095	$ 896,719
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ 7,471	$ 7,471
Total liabilities	-	-	7,471	7,471
FUND BALANCES				
Restricted for capital improvements	73,741	457,883	357,624	889,248
Total fund balances	73,741	457,883	357,624	889,248
Total liabilities and fund balances	$ 73,741	$ 457,883	$ 365,095	$ 896,719

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Whitewater Administration Building and Infrastructure	2006 SPLOST	LMIG	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	$ -	$ -	$ 338,669	$ 338,669
Investment income	83	-	-	83
Total revenues	83	-	338,669	338,752
Expenditures:				
Capital outlay:				
Public safety	-	11,888	-	11,888
Highways and streets	-	-	431,977	431,977
Total expenditures	-	11,888	431,977	443,865
Net change in fund balances	83	(11,888)	(93,308)	(105,113)
Fund balances, beginning of year	73,658	469,771	450,932	994,361
Fund balances, end of year	$ 73,741	$ 457,883	$ 357,624	$ 889,248

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project	Estimated Cost Original and Current	Expenditures Prior Years	Expenditures Current Year	Expenditures 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, street, drainage and bridge improvements	3,100,000	3,059,090	-	3,059,090
Intergovernmental				
City of Ideal	175,000	175,000	-	175,000
City of Marshallville	460,000	460,000	-	460,000
City of Montezuma	1,500,000	1,500,000	-	1,500,000
City of Oglethorpe	410,000	410,000	-	410,000
	$ 9,604,498	$ 9,313,588	$ -	$ 9,313,588
2006 Referendum				
Jail renovations and improvements	$ 500,000	$ 1,002,604	$ -	$ 1,002,604
Road, street, drainage and bridge improvements	1,383,000	615,484	-	615,484
Public works building and recreation projects	275,000	644,847	-	644,847
Fire stations	842,000	570,570	11,888	582,458
Intergovernmental				
City of Ideal	185,000	200,649	-	200,649
City of Marshallville	476,398	517,436	-	517,436
City of Montezuma	1,426,000	1,564,789	-	1,564,789
City of Oglethorpe	428,300	469,822	-	469,822
	$ 5,515,698	$ 5,586,201	$ 11,888	$ 5,598,089
2010 Referendum				
Public safety, Public works, Recreation, and Tax Assessor capital equipment purchases	$ 1,447,000	$ 180,587	$ 166,916	$ 347,503
Annex building, Health Dept., Courthouse, EMA Literacy Center, and Govt Office Building capital improvements	474,152	27,357	4,500	31,857
Road improvements	1,421,152	174,880		174,880
Aquatic recreation facility	500,000	-	-	-
Intergovernmental				
City of Ideal	283,416	111,862	38,110	149,972
City of Marshallville	730,876	288,469	98,277	386,746
City of Montezuma	2,400,010	1,075,357	294,210	1,369,567
City of Oglethorpe	656,942	259,287	88,336	347,623
	$ 7,913,548	$ 2,117,799	$ 690,349	$ 2,808,148

AGENCY FUNDS

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

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

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

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

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

MACON COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

	Sheriff	Tax Commissioner	Clerk of Superior Court	Probate Court
ASSETS				
Cash and cash equivalents	$ 8,916	$ 89,067	$ 350,036	$ 12,641
Total assets	$ 8,916	$ 89,067	$ 350,036	$ 12,641
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ -
Due to other taxing units	-	45,328	-	-
Due to state	531	40,921	10,832	737
Retirement payable	-	-	226	165
Restitution payable	-	-	-	-
Funds held in escrow	-	-	323,630	-
Due to others	8,385	2,818	15,348	11,739
Total liabilities	$ 8,916	$ 89,067	$ 350,036	$ 12,641

Magistrate Court	Special Sales Tax	Total
$ 12,699	$ 912	$ 474,271
$ 12,699	$ 912	$ 474,271

$ -	$ -	$ -
-	912	46,240
885	-	53,906
236	-	627
10,289	-	10,289
1,289	-	324,919
-	-	38,290
$ 12,699	$ 912	$ 474,271

MACON COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Sheriff	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 4,573	$ 39,689	$ 35,346	$ 8,916
Total assets	$ 4,573	$ 39,689	$ 35,346	$ 8,916
LIABILITIES				
Due to state	$ 3,660	$ 6,821	$ 9,950	$ 531
Due to others	913	32,868	25,396	8,385
Total liabilities	$ 4,573	$ 39,689	$ 35,346	$ 8,916
Tax Commissioner				
ASSETS				
Cash and cash equivalents	$ 144,516	$ 12,062,979	$ 12,118,428	$ 89,067
Total assets	$ 144,516	$ 12,062,979	$ 12,118,428	$ 89,067
LIABILITIES				
Due to other funds				
General Fund	$ -	$ 4,235,228	$ 4,235,228	$ -
Due to other taxing units				
Macon County School Board	68,552	6,397,357	6,428,332	37,577
City of Ideal	898	11,567	12,007	458
City of Oglethorpe	2,570	34,024	34,886	1,708
City of Montezuma	7,154	106,048	108,815	4,387
City of Marshallville	2,313	42,958	44,073	1,198
Due to state	58,298	658,186	675,563	40,921
Due to others	4,731	577,611	579,524	2,818
Total liabilities	$ 144,516	$ 12,062,979	$ 12,118,428	$ 89,067

MACON COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Clerk of Superior Court	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 359,009	$ 232,318	$ 241,291	$ 350,036
Total assets	$ 359,009	$ 232,318	$ 241,291	$ 350,036
LIABILITIES				
Due to other funds	$ -	$ 78,856	$ 78,856	$ -
Due to state	18,455	87,718	95,341	10,832
Retirement payable Clerk's Peace Officers' and Sheriff	1,130	2,954	3,858	226
Funds held in escrow	333,954	49,879	60,203	323,630
Due to others	5,470	12,911	3,033	15,348
Total liabilities	$ 359,009	$ 232,318	$ 241,291	$ 350,036
Probate Court				
ASSETS				
Cash and cash equivalents	$ 10,693	$ 61,087	$ 59,139	$ 12,641
Total assets	$ 10,693	$ 61,087	$ 59,139	$ 12,641
LIABILITIES				
Due to other funds				
General Fund	$ -	$ 35,963	$ 35,963	$ -
Jail Fund	-	3,577	3,577	-
Law Library Fund	-	1,876	1,876	-
Due to state	454	11,502	11,219	737
Retirement payable	169	2,261	2,265	165
Due to others	10,070	5,908	4,239	11,739
Total liabilities	$ 10,693	$ 61,087	$ 59,139	$ 12,641

MACON COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Magistrate Court	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 15,306	$ 178,378	$ 180,985	$ 12,699
Total assets	$ 15,306	$ 178,378	$ 180,985	$ 12,699
LIABILITIES				
Due to other funds				
General Fund	$ -	$ 47,628	$ 47,628	$ -
Due to state	816	9,631	9,562	885
Retirement payable	219	2,577	2,560	236
Restitution payable	12,572	115,664	117,947	10,289
Funds held in escrow	1,289	-	-	1,289
Due to others	410	2,878	3,288	-
Total liabilities	$ 15,306	$ 178,378	$ 180,985	$ 12,699
Special Sales Tax Fund				
ASSETS				
Cash and cash equivalents	$ 80,492	$ -	$ 79,580	$ 912
Total assets	$ 80,492	$ -	$ 79,580	$ 912
LIABILITIES				
Due to other taxing units				
City of Ideal	$ 912	$ -	$ -	$ 912
City of Oglethorpe	73,607	-	73,607	-
City of Montezuma	1,072	-	1,072	-
City of Marshallville	4,901	-	4,901	-
Total liabilities	$ 80,492	$ -	$ 79,580	$ 912

MACON COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Total All Agency Funds	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 614,589	$ 12,574,451	$ 12,714,769	$ 474,271
Total assets	$ 614,589	$ 12,574,451	$ 12,714,769	$ 474,271
LIABILITIES				
Due to other funds	$ -	$ 4,403,128	$ 4,403,128	$ -
Due to other taxing units	161,979	6,591,954	6,707,693	46,240
Due to state	81,683	773,858	801,635	53,906
Retirement payable	1,518	7,792	8,683	627
Restitution payable	12,572	115,664	117,947	10,289
Funds held in escrow	335,243	49,879	60,203	324,919
Due to others	21,594	632,176	615,480	38,290
Total liabilities	$ 614,589	$ 12,574,451	$ 12,714,769	$ 474,271

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Macon County, Georgia as of and for the year ended June 30, 2014, 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 12, 2014. Our report includes a reference to other auditors who audited the financial statements of the Macon County Department of Public Health, as described in our report on Macon County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2014.001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Macon County, Georgia's Response to Findings

Macon County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 12, 2014

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes _____ no
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2014 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014.001 Segregation of Duties

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

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

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

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

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014.001 Segregation of Duties

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

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

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

MACON COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATUS OF PRIOR YEAR AUDIT FINDINGS

13-1. SPLOST

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: For the fiscal year ended June 30, 2013, the County deposited $41,694 from the 2010-2016 SPLOST in the General Fund checking account.

Auditee Response/Status: Resolved.

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
10h-y-096-1-5234
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Program Activity	Activity Number	Revised Budget	Expenditures		
			Prior Years	Current Year	Total
Rehabilitation	H-14A-01	$ 266,941	$ 245,396	$ 16,010	$ 261,406
Reconstruction	H-14A-02	181,804	165,781	-	165,781
Administration	A-21A-00	34,780	33,931	2,349	36,280
Contingencies	C-022-00	13,338	-	-	-
Totals		$ 496,863	$ 445,108	$ 18,359	$ 463,467

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
12h-y-096-1-5495
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Program Activity	Activity Number	Budget	Expenditures		
			Prior Years	Current Year	Total
Rehabilitation	H-14A-01	$ 209,415	$ 71,990	$ 139,042	$ 211,032
Reconstruction	H-14A-02	232,936	20	174,677	174,697
Administration	A-21A-00	35,000	8,034	20,834	28,868
Contingencies	C-022-00	22,649	-	-	-
Totals		$ 500,000	$ 80,044	$ 334,553	$ 414,597