MACON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

MACON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1 – 3
Management's Discussion and Analysis	4 – 9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11 and 12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	16 and 17
Statement of Net Position – Proprietary Fund	18
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	19
Statement of Cash Flows – Proprietary Fund	20
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	21
Notes to Financial Statements	22 – 45
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	47
Combining Balance Sheet – Nonmajor Special Revenue Funds	48 and 49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	50 and 51
Nonmajor Special Revenue Funds – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	52 - 60
Combining Balance Sheet – Nonmajor Capital Project Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	62
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	63

MACON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (Continued)

Combining and Individual Fund Statements and Schedules (Continued):

Combining Statement of Assets and Liabilities – Agency Funds ..... 64 and 65

Combining Statement of Changes in Assets and Liabilities – Agency Funds ..... 66 - 69

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 70 and 71

Schedule of Findings and Responses ..... 72 and 73

Schedule of Prior Year Findings 74

Project Cost Schedule – Community Development Block Grant Program – 12h-y-096-1-5495 75

Project Cost Schedule – Community Development Block Grant Program – 14h-y-096-1-5683 76

FINANCIAL SECTION

MAULDIN & JENKINS

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, 2015, and the related notes to the financial statements, which collectively comprise Macon County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health, whose statements reflect total assets and deferred outflows of resources of $206,950 as of June 30, 2015, and total revenues of $319,850 for the year ended June 30, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Macon County Department of Public Health, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 8, the Macon County Health Department, a discretely presented component unit of Macon County, Georgia, implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015, 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 17, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2015. Please read it in conjunction with the County's financial statements.

Using This Annual Report

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

Government-wide Financial Statements

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

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

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

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

Business-type activities - The County's solid waste operations are reported here. These business-type activities were financed in whole, or in part, by user charges including landfill tipping fees. The only activity taking place in the business-type activities of the County is postclosure 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 nonmajor 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 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 2015, Macon County's governmental funds reported combined fund balances totaling $8,233,875; an increase of $678,914. Approximately 41.3 percent ($3.4 million) of the combined fund balances for governmental funds is available for spending. The remaining 58.7 percent ($4.8 million) is reserved in nonmajor special revenue funds or reserved for construction.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 8,584,299	$ 7,942,881	$ 658,418	$ 666,302	$ 9,242,717	$ 8,609,183
Capital Assets	11,700,021	11,612,020	-	-	11,700,021	11,612,020
Total Assets	20,284,320	19,554,901	658,418	666,302	20,942,738	20,221,203
Long-term liabilities	577,055	577,825	482,701	507,272	1,059,756	1,085,097
Other liabilities	350,424	294,948	-	-	350,424	294,948
Total liabilities	927,479	872,773	482,701	507,272	1,410,180	1,380,045
Net Position:						
Investment in capital assets	11,700,021	11,612,020	-	-	11,700,021	11,612,020
Restricted	4,489,384	3,740,132	-	-	4,489,384	3,740,132
Unrestricted	3,167,436	3,329,976	175,717	159,030	3,343,153	3,489,006
Total Net Position	$ 19,356,841	$ 18,682,128	$ 175,717	$ 159,030	$ 19,532,558	$ 18,841,158

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 1,289,509	$ 1,203,090	-	-	$ 1,289,509	$ 1,203,090
Operating grants and contributions	122,009	52,920	-	-	122,009	52,920
Capital grants and contributions	496,869	695,911	-	-	496,869	695,911
General revenues:	-	-	-	-	-	-
Property taxes	3,871,822	4,077,801	-	-	3,871,822	4,077,801
Sales taxes	2,225,125	2,142,603	-	-	2,225,125	2,142,603
Other taxes	458,791	436,337	-	-	458,791	436,337
Unrestricted investment earnings	10,952	11,931	4,354	4,416	15,306	16,347
Gain on sale of capital assets	7,913	-	-	-	7,913	-
Total Revenues	8,482,990	8,620,593	4,354	4,416	8,487,344	8,625,009
Expenses:						
General government	1,381,938	1,423,689	-	-	1,381,938	1,423,689
Judicial	598,388	578,412	-	-	598,388	578,412
Public safety	1,585,217	1,632,414	-	-	1,585,217	1,632,414
Public works	2,064,616	1,925,608	-	-	2,064,616	1,925,608
Health and welfare	1,233,930	1,058,163	-	-	1,233,930	1,058,163
Culture and recreation	405,058	387,522	-	-	405,058	387,522
Conservation and development	362,536	928,804	-	-	362,536	928,804
Economic development	83,622	76,670	-	-	83,622	76,670
Solid waste disposal	-	-	12,333	9,161	(12,333)	(9,161)
Total Expenses	7,715,305	8,011,282	12,333	9,161	7,702,972	8,002,121
Increase in net position	767,685	609,311	16,687	13,577	784,372	622,888
Net position - beginning	18,589,156	17,979,845	159,030	145,453	18,748,186	18,218,270
Net position - ending	**$ 19,356,841**	**$ 18,589,156**	**$ 175,717**	**$ 159,030**	**$ 19,532,558**	**$ 18,841,158**

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 2015, total assets were $3.7 million and total liabilities were $0.35 million. The ending fund balance of $3.4 million represents 54.0% 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 2015, $6.334 million, exceeded the total expenditures of $6.274 million by $4 thousand.

During Fiscal Year 2015, General Fund Revenues for the year, $6.162 million, were more than budget by 2.3 percent. Taxes comprised 79.0% of the General Fund's revenue stream in Fiscal Year 2015. Total General Fund Expenditures for Fiscal Year 2015 were $6.225 million, 97.0% of the final amended budget.

During fiscal Year 2015, the General Fund transferred $48,421 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 expenditures that were incurred by the Transit System. Funds transferred from other funds to offset General Fund expenditures totaled $100,000.

2010 Capital Projects Funds - Is a major capital project fund used to account for the use of Special Purpose Local Option Sales Tax (SPLOST) levied in 2010 for the purpose of maintaining and improving the County's road network, to make improvements to the Annex Building, Courthouse, Health Department, EMA Building, Literacy Center, Government Office Building, capital equipment purchases for Public Works Department, Sheriff's Department, Emergency Medical Service, Fire Department, Recreation Department, Whitewater Creek Park and Tax Assessors office and to construct an aquatic facility. Revenues for Fiscal Year 2015 were $1.1 million and expenditures were $.80 million resulting in an end of year fund balance of $1.8 million.

Transportation Special Purpose Local Option Sales Tax Fund (T-SPLOST) - Is a major capital project fund used to account for the use of Special Purpose Local Option Sales Tax levied in 2013 for the specific purpose of maintaining and improving the state and county road network. Seventy-five (75) percent of the funds generated go directly to the state for two major projects for the County. The remaining twenty-five percent is accounted for in this fund by the County and is designated for transportation related expenditures including improvements to roads, bridges, road department operating costs and the purchase of equipment. Revenues for Fiscal Year 2015 were $.61 million; expenditures and transfers were $61,740, resulting in an end of year fund balance of $1.4 million.

Nonmajor Governmental Funds - Is a summary of nonmajor special revenue funds and nonmajor 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 nonmajor 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. Nonmajor governmental fund revenues for the Fiscal Year 2015 were $611,161 and expenditures were $768,888 resulting in an end of year fund balance of $1.5 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 $0.67 million and total liabilities were $0.49 million at the end of Fiscal Year 2015. Revenue resulting from changes in postclosure cost estimates and interest income added $16,687 to the net position of the fund.

Capital Assets and Debt Administration

Capital Assets - In Fiscal Year 2015, investments in capital assets for governmental activities decreased $.09 million, (net of accumulated depreciation). At year end, the closed landfill had no capital assets. Governmental activities capital investment amounts to $11.7 million. During the year, the County made expenditures of $714 thousand primarily from funds collected in prior years from a Special Purpose Local Option Sales Tax (SPLOST), for building improvements and equipment purchases.

Debt Management - Macon County remained totally debt free throughout all of FY 2015. The only long-term debts consist of compensated absences and postclosure care costs for the closed landfill. The combined long-term debt of the governmental and proprietary funds in Fiscal Year 2015 is $1.06 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, 2015

	Primary Government			Component Units	
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Development Authority**	**Health Department**
Cash and cash equivalents	$ 7,419,265	$ -	$ 7,419,265	$ 63,724	$ 153,301
Investments	375,000	670,656	1,045,656	-	-
Taxes receivable	46,300	-	46,300	-	-
Accounts receivable, net of allowances	5,120	-	5,120	-	-
Notes receivable	343,617	-	343,617	108,346	-
Internal balances	12,238	(12,238)	-	-	-
Due from other governments	382,759	-	382,759	750	33,593
Capital assets, non-depreciable	822,510	-	822,510	50,524	-
Capital assets, depreciable, net of accumulated depreciation	10,877,511	-	10,877,511	36,316	-
Total assets	20,284,320	658,418	20,942,738	259,660	186,894
DEFERRED OUTFLOWS OF RESOURCES					
Employer pension contributions	-	-	-	-	20,056
LIABILITIES					
Accounts payable	209,652	-	209,652	827	17,187
Accrued salaries	140,772	-	140,772	1,836	-
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	268	-
Compensated absences due within one year	75,941	-	75,941	-	-
Compensated absences due in more than one year	81,696	-	81,696	-	13,214
Net pension liability	-	-	-	-	157,526
Accrued closure/postclosure care costs due within one year	-	22,180	22,180	-	-
Accrued closure/postclosure care costs due in more than one year	419,418	460,521	879,939	-	-
Total liabilities	927,479	482,701	1,410,180	2,931	187,927
DEFERRED INFLOWS OF RESOURCES					
Proportionate share of collective deferred inflows of resources- pension	-	-	-	-	71,863
NET POSITION					
Investment in capital assets	11,700,021	-	11,700,021	86,840	-
Restricted for:					
Capital improvements	4,009,363	-	4,009,363	-	-
Judicial programs	13,340	-	13,340	-	-
Public safety	150,867	-	150,867	-	-
Conservation and development	315,814	-	315,814	-	-
Programs	-	-	-	-	30,576
Unrestricted (deficit)	3,167,436	175,717	3,343,153	169,889	(83,416)
Total net position	$ 19,356,841	$ 175,717	$ 19,532,558	$ 256,729	$ (52,840)

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

MACON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

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	$ 1,381,938	$ 294,560	$ 69,807	$ -
Judicial	598,388	171,857	-	-
Public safety	1,585,217	47,388	6,369	-
Public works	2,064,616	205,820	-	341,121
Health and welfare	1,233,036	522,104	45,833	-
Culture and recreation	470,885	-	-	155,748
Conservation and development	297,603	47,780	-	-
Economic development	83,622	-	-	-
Total governmental activities	7,715,305	1,289,509	122,009	496,869
Business-type activities:				
Solid waste disposal	-	12,333	-	-
Total business-type activities	-	12,333	-	-
Total primary government	$ 7,715,305	$ 1,301,842	$ 122,009	$ 496,869
Component units:				
Development Authority	$ 108,323	$ 24,000	$ 167,628	$ -
Health Department	226,871	51,405	268,445	-
Total component units	$ 335,194	$ 75,405	$ 436,073	$ -
General revenues:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Insurance premium taxes				
Franchise taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position					
				Component Units	
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
$ (1,017,571)	$ -	$ (1,017,571)	$ -	$ -
(426,531)	-	(426,531)	-	-
(1,531,460)	-	(1,531,460)	-	-
(1,517,675)	-	(1,517,675)	-	-
(665,099)	-	(665,099)	-	-
(315,137)	-	(315,137)	-	-
(249,823)	-	(249,823)	-	-
(83,622)	-	(83,622)		
(5,806,918)	-	(5,806,918)	-	-
-	12,333	12,333	-	-
-	12,333	12,333	-	-
$ (5,806,918)	$ 12,333	$ (5,794,585)	$ -	$ -
$ -	$ -	$ -	$ 83,305	$ -
-	-	-	-	92,979
$ -	$ -	$ -	$ 83,305	$ 92,979
3,871,822	-	3,871,822	-	-
2,225,125	-	2,225,125	-	-
44,885	-	44,885	-	-
392,337	-	392,337	-	-
182	-	182	-	-
21,387	-	21,387	-	-
10,952	4,354	15,306	441	-
7,913	-	7,913	-	-
6,574,603	4,354	6,578,957	441	-
767,685	16,687	784,372	83,746	92,979
18,589,156	159,030	18,748,186	172,983	(145,819)
$ 19,356,841	$ 175,717	$ 19,532,558	$ 256,729	$ (52,840)

MACON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
Cash and cash equivalents	$ 2,957,179	$ 1,770,870	$ 1,395,630	$ 1,295,586	$ 7,419,265
Investments	375,000	-	-	-	375,000
Taxes receivable	46,300	-	-	-	46,300
Accounts receivable	5,120	-	-	-	5,120
Notes receivable	-	-	-	343,617	343,617
Due from other governments	230,244	47,439	105,076	-	382,759
Due from other funds	137,668	-	-	218	137,886
Total assets	$ 3,751,511	$ 1,818,309	$ 1,500,706	$ 1,639,421	$ 8,709,947
LIABILITIES					
Accounts and contracts payable	$ 209,652	$ -	$ -	$ -	$ 209,652
Accrued liabilities	140,772	-	-	-	140,772
Due to other funds	213	-	61,740	63,695	125,648
Total liabilities	350,637	-	61,740	63,695	476,072
FUND BALANCES					
Nonspendable - long-term notes receivable	-	-	-	343,617	343,617
Restricted for:					
Capital improvements	-	1,818,309	1,438,966	752,088	4,009,363
Judicial programs	-	-	-	13,340	13,340
Public safety	-	-	-	150,867	150,867
Assigned for:					
Conservation and development	-	-	-	315,814	315,814
Unassigned	3,400,874	-	-	-	3,400,874
Total fund balances	3,400,874	1,818,309	1,438,966	1,575,726	8,233,875
Total liabilities and fund balances	$ 3,751,511	$ 1,818,309	$ 1,500,706	$ 1,639,421	

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.	11,700,021
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(157,637)
Closure/Postclosure care costs	(419,418)
Net position of governmental activities	$ 19,356,841

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, 2015

	General	2010 Capital Projects	T-SPLOST	Other Governmental Funds	Total
Revenues:					
Property taxes	$ 3,871,822	$ -	$ -	$ -	$ 3,871,822
Sales taxes	522,035	1,088,320	614,770	-	2,225,125
Other taxes	458,791	-	-	-	458,791
Licenses and permits	49,818	-	-	-	49,818
Intergovernmental	76,176	-	-	542,541	618,717
Charges for services	1,051,442	-	-	27,745	1,079,187
Fines and forfeitures	44,442	-	-	30,364	74,806
Investment income	441	161	-	10,511	11,113
Other revenues	87,063	-	-	-	87,063
Total revenues	6,162,030	1,088,481	614,770	611,161	8,476,442
Expenditures:					
Current:					
General government	1,319,117		-	-	1,319,117
Judicial	594,133	-	-	1,615	595,748
Public safety	1,455,583	-	-	-	1,455,583
Public works	1,150,760	-	-	-	1,150,760
Health and welfare	1,091,744	-	-	121,999	1,213,743
Culture and recreation	403,183	-	-	-	403,183
Conservation and development	127,499	-	-	167,111	294,610
Economic development	83,622	-	-	-	83,622
Intergovernmental	-	545,741	-	-	545,741
Capital outlay	-	253,431	11,740	478,163	743,334
Total expenditures	6,225,641	799,172	11,740	768,888	7,805,441
Excess (deficiency) of revenues over (under) expenditures	(63,611)	289,309	603,030	(157,727)	671,001
Other financing sources (uses):					
Transfers in	100,000	-	-	48,421	148,421
Transfers out	(48,421)	-	(50,000)	(50,000)	(148,421)
Proceeds from the sale of capital assets	7,913	-	-	-	7,913
Total other financing sources (uses)	59,492	-	(50,000)	(1,579)	7,913
Net change in fund balances	(4,119)	289,309	553,030	(159,306)	678,914
Fund balance, beginning of year, as restated	3,404,993	1,529,000	885,936	1,735,032	7,554,961
Fund balance, end of year	$ 3,400,874	$ 1,818,309	$ 1,438,966	$ 1,575,726	$ 8,233,875

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, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	678,914
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 capital outlay exceeded depreciation in the current period.		
Capital outlay		713,892
Depreciation		(624,526)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(1,365)
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/postclosure care costs		(6,198)
Compensated absences		6,968
Change in net position	$	767,685

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

MACON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 3,717,285	$ 3,717,285	$ 3,871,822	$ 154,537
Sales taxes	535,100	535,100	522,035	(13,065)
Other taxes	495,000	495,000	458,791	(36,209)
Licenses and permits	65,950	65,950	49,818	(16,132)
Intergovernmental	7,369	7,369	76,176	68,807
Charges for services	1,091,000	1,091,000	1,051,442	(39,558)
Fines and forfeitures	39,500	39,500	44,442	4,942
Investment income	150	150	441	291
Other revenues	87,414	74,264	87,063	12,799
Total revenues	6,038,768	6,025,618	6,162,030	136,412
Expenditures:				
Current:				
General government:				
County commissioners	795,299	770,843	749,292	21,551
Board of elections	82,015	82,365	78,919	3,446
Tax commissioner	172,117	173,167	172,271	896
Tax assessor	238,709	219,409	213,787	5,622
Public buildings	93,508	108,558	104,848	3,710
Total general government	1,381,648	1,354,342	1,319,117	35,225
Judicial:				
Superior court	83,697	33,697	30,280	3,417
Clerk of superior court	161,860	164,884	163,914	970
Magistrate court	137,356	138,056	134,131	3,925
Probate court	134,617	135,491	128,281	7,210
Juvenile court	37,247	37,247	24,666	12,581
District attorney	155,205	147,205	112,861	34,344
Total judicial	709,982	656,580	594,133	62,447
Public safety:				
Sheriff	775,243	782,115	781,341	774
Fire	70,350	68,045	65,484	2,561
Jail	594,234	533,532	521,111	12,421
E911	37,174	37,179	37,176	3
Civil defense	20,499	45,104	31,972	13,132
Coroner	18,015	18,865	18,499	366
Total public safety	1,515,515	1,484,840	1,455,583	29,257

(Continued)

MACON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highways and streets	$ 885,944	$ 841,364	$ 827,354	$ 14,010
Waste collection	226,000	226,400	226,356	44
Middle Georgia Regional Solid Waste Management Authority	12,628	12,728	12,708	20
Motor vehicle maintenance	102,240	92,940	84,342	8,598
Total public works	1,226,812	1,173,432	1,150,760	22,672
Health and welfare:				
Physical health	90,928	90,928	90,928	-
Ambulance services	870,540	950,912	946,419	4,493
DFACS	4,998	4,998	4,998	-
Literacy Council	35,000	38,150	34,999	3,151
Middle Flint Council on Aging	14,400	14,400	14,400	-
Total health and welfare	1,015,866	1,099,388	1,091,744	7,644
Culture and recreation:				
Recreation	190,508	225,532	205,433	20,099
Whitewater Creek Park	111,704	198,404	197,450	954
Library	300	300	300	-
Total culture and recreation	302,512	424,236	403,183	21,053
Conservation and development:				
County agent	63,261	56,048	53,765	2,283
Georgia Forestry Commission	14,457	14,457	14,457	-
Planning and zoning	2,950	3,250	3,224	26
Building inspection	58,950	59,300	56,053	3,247
Total conservation and development	139,618	133,055	127,499	5,556
Economic development:				
River Valley RC	7,759	7,759	7,759	-
Development Authority	70,713	83,713	75,863	7,850
Total economic development	78,472	91,472	83,622	7,850
Total expenditures	6,370,425	6,417,345	6,225,641	191,704
Deficiency of revenues over expenditures	(331,657)	(391,727)	(63,611)	328,116
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Transfers out	(55,193)	(55,793)	(48,421)	7,372
Proceeds from the sale of capital assets	50,000	50,000	7,913	(42,087)
Total other financing sources (uses)	94,807	94,207	59,492	(34,715)
Net change in fund balance	(236,850)	(297,520)	(4,119)	293,401
Fund balance, beginning of year as restated	3,404,993	3,404,993	3,404,993	-
Fund balance, end of year	$ 3,168,143	$ 3,107,473	$ 3,400,874	$ 293,401

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

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND

JUNE 30, 2015

	Solid Waste Disposal Fund
ASSETS	
Noncurrent assets:	
Investments	$ 670,656
Total assets	670,656
LIABILITIES	
Current liabilities:	
Due to other funds	12,238
Closure/postclosure care costs due within one year	22,180
Total current liabilities	34,418
Long-term liabilities:	
Closure/postclosure care costs due in more than one year	460,521
Total long-term liabilities	460,521
Total liabilities	494,939
NET POSITION	
Unrestricted	175,717
Total net position	$ 175,717

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, 2015

	Solid Waste Disposal Fund
OPERATING REVENUES	
Change in postclosure care cost estimate	$ 12,333
Total operating revenues	12,333
NON-OPERATING REVENUE	
Interest income	4,354
Total non-operating revenue	4,354
Change in net position	16,687
NET POSITION, beginning of year	159,030
NET POSITION, end of year	$ 175,717

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, 2015

	Solid Waste Disposal Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and service providers	$ (14,579)
Net cash used in operating activities	(14,579)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment	(670,656)
Maturity of investment	680,881
Interest on investments	4,354
Net cash provided by investing activities	14,579
Net change 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	$ 12,333
Adjustments to reconcile operating income to net cash used in operating activities:	
Decrease in closure/postclosure payable	(24,571)
Decrease in due to other funds	(2,341)
Net cash used in operating activities	$ (14,579)

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

MACON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,208,224
Total assets	$ 1,208,224
LIABILITIES	
Due to other taxing units	$ 116,842
Due to state	38,360
Retirement payable	869
Restitution payable	10,423
Funds held in escrow	1,022,338
Due to others	19,392
Total liabilities	$ 1,208,224

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

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

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

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

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

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

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

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 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, 2015.

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, 2015.

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)

Fund Balance (Continued)

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

The County's policy establishes minimum levels of fund balance to be committed to a Rainy Day Stabilization category. The General Fund is to have a target level based on the County's general operating expenditures. The fund balance target for the General Fund shall not be less than 25% of regular General Fund operating revenues or regular General Fund operating expenditures. These amounts will be classified as committed. At June 30, 2015, 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, 2015, 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, 2015, the County held the following investments:

Investment	Fair Value	Maturity
Certificate of deposit	$ 375,000	November 17, 2015
Certificate of deposit	670,656	October 3, 2015
	$ 1,045,656	

The Health Department does not have a deposit policy for custodial credit risk. As of June 30, 2015, 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, 2015, consist of the following:

	General Fund	2010 Capital Projects Fund	T-SPLOST Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 46,300	$ -	$ -	$ -	$ 46,300
Accounts	5,120	-	-	-	5,120
Notes	-	-	-	343,617	343,617
Other governments	230,244	47,439	105,076	-	382,759
Net receivables	$ 281,664	$ 47,439	$ 105,076	$ 343,617	$ 777,796

Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. Taxes were levied on September 24, 2014, 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 19, 2014, 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, 2015, and collected by August 31, 2015, are recognized as revenues in the year ended June 30, 2015.

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, 2015 is $16,552 with a due date of August 10, 2015. In October 2012, the Authority made a $7,000 business start-up loan at an interest rate of 4.00% with a 120-day maturity. The maturity date of this note has been extended three times and the outstanding balance of $6,794 is now due on January 16, 2016. In August 2014, the Authority made an $85,000 loan to a local business with a maturity date of August 4, 2021 and an interest rate of 5.25%. The first principal and interest payment is not due until August 4, 2015.

NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 627,612	$ -	$ (1,365)	$ -	$ 626,247
Construction in progress	14,499	398,346	-	(216,582)	196,263
Total capital assets, not being depreciated	642,111	398,346	(1,365)	(216,582)	822,510
Capital assets, being depreciated:					
Buildings	7,901,455	32,250	-	-	7,933,705
Infrastructure	6,257,540	-	-	216,582	6,474,122
Improvements	300,847	-	-	-	300,847
Machinery and equipment	3,422,375	283,296	-	-	3,705,671
Total capital assets, being depreciated	17,882,217	315,546	-	216,582	18,414,345
Less accumulated depreciation for:					
Buildings	2,850,458	183,845	-	-	3,034,303
Infrastructure	1,085,916	243,505	-	-	1,329,421
Improvements	262,055	7,007	-	-	269,062
Machinery and equipment	2,713,879	190,169	-	-	2,904,048
Total accumulated depreciation	6,912,308	624,526	-	-	7,536,834
Total capital assets, being depreciated, net	10,969,909	(308,980)	-	216,582	10,877,511
Governmental activities capital assets, net	$ 11,612,020	$ 89,366	$ (1,365)	$ -	$ 11,700,021

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	$ 51,433
Judicial	2,918
Public safety	130,113
Public works	353,880
Health and welfare	20,502
Culture and recreation	62,596
Conservation and development	3,084
Total depreciation expense - governmental activities	$ 624,526

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 50,524	$ -	$ -	$ 50,524
Total capital assets, not being depreciated	50,524	-	-	50,524
Capital assets, being depreciated:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	104,256	-	-	104,256
Total capital assets, being depreciated	192,918	-	-	192,918
Less accumulated depreciation for:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	57,514	10,426	-	67,940
Total accumulated depreciation	146,176	10,426	-	156,602
Total capital assets, being depreciated, net	46,742	(10,426)	-	36,316
Total capital assets, net	$ 97,266	$ (10,426)	$ -	$ 86,840

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, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Landfill closure/postclosure	$ 413,220	$ 6,198	$ -	$ 419,418	$ -
Compensated absences	164,605	75,654	(82,622)	157,637	75,941
Governmental activities long-term liabilities	$ 577,825	$ 81,852	$ (82,622)	$ 577,055	$ 75,941
Business-type Activities:					
Landfill postclosure care	$ 507,272	$ -	$ (24,571)	$ 482,701	$ 22,180
Business-type activities long-term liabilities	$ 507,272	$ -	$ (24,571)	$ 482,701	$ 22,180

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 is $1,466,496 as of June 30, 2015 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, 2015.

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 $419,418 at June 30, 2015. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are to be monitored through financial ratio testing on an annual basis. No commercial insurance has been purchased to satisfy financial assurance requirements.

Macon County Landfill Postclosure Care: State and federal laws and regulations require that Macon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty 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 $482,701 at June 30, 2015. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close monitor and maintain the landfill were acquired as of June 30, 2015. 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, 2015, is as follows:

Due to/from other funds:

Due To	Due From	Amount
General Fund	T-SPLOST	$ 61,740
General Fund	Other Governmental Funds	63,690
Nonmajor Governmental Funds	General Fund	213
General Fund	Solid Waste Disposal Fund	12,238
Other Governmental Funds	Other Governmental Funds	5
		$ 137,886

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 the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The County had the following interfund transfer during the fiscal year ended June 30, 2015:

Transfers In	Transfers Out	Amount
General Fund	T-SPLOST	$ 50,000
General Fund	Other Governmental Funds	50,000
Other Governmental Funds	General Fund	48,421
		$ 148,421

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 twenty-one. 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 $146,413, which was 7.52% of the covered payroll of $1,946,263. The County's total payroll was $3,019,321. The contributions are invested in 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. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT

Pension

The Employees' Retirement System of Georgia financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when due, pursuant to plan requirements. Benefits and refunds are recognized as deductions when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Georgia. However, it is accountable for its own fiscal matters and presentation of its separate financial statement.

Plan Description

The Employees' Retirement System of Georgia, a cost-sharing multiple-employer defined benefit pension plan, was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees' Retirement System of Georgia. The ERS is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law and by the funding policy adopted by the Board of Trustees. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained at www.ers.ga.gov.

NOTE 8. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT (CONTINUED)

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provision in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new employees and rehired state employees who did not retain membership rights under the Old Plan or New Plan are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions and Vesting

Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The state is required to contribute at a specified percentage of active member payroll which is determined annually by actuarial valuation. The state contributions are not at any time refundable to the member or his/her beneficiary.

NOTE 8. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT (CONTINUED)

Contributions and Vesting (Continued)

Employer and nonemployer contributions as a percentage of covered payroll required for fiscal year 2014 were based on the June 30, 2011 actuarial valuation for the Old Plan, New Plan, and GSEPS as follows:

	Old Plan	New Plan	GSEPS
Employer and nonemployer:			
Normal	1.51%	6.26%	2.98%
Employer paid for member	4.75%	-	-
Accrued liability	12.20%	12.20%	12.20%
Total	18.46%	18.46%	15.18%

Members become vested after ten years of membership service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions, the member forfeits all rights to retirement benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The collective net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by a valuation as of June 30, 2013. The Health Department's proportion of the collective net pension liability was based on its share of contributions to the pension plan relative to the total employer contributions of all participating ERS employers.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increase	5.45%-9.25%, including inflation
Investment return	7.5%, net pension plan investment expense including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 - June 30, 2009.

NOTE 8. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected normal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate (dollars in thousands):

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' and nonemployers' net pension liability	$ 5,469,145	$ 3,750,618	$ 2,287,751

Additional Pension Plan Information

Additional financial and actuarial information is available at www.ers.ga.gov.

Plan	ERS
Employer	Macon County Health Department
Employer Code	128-094

Contributions made during the measurement period were $17,457.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Employer's proportionate share of net pension liability	$ 157,526
Employer's proportion of net pension liability	0.004200%
Increase/(decrease) from proportion measured as of June 30, 2013	-0.001119%
Employer's recognized pension expense	$ (11,266)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 38,447
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	33,416
Employer contributions subsequent to measurement date	20,056	-
Total	$ 20,056	$ 71,863

NOTE 8. PENSION PLAN – MACON COUNTY HEALTH DEPARTMENT (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (30,497)
2017	(22,143)
2018	(9,612)
2019	(9,611)
	$ (71,863)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' and nonemployers' net pension liability	$ 5,469,145	$ 3,750,618	$ 2,287,751

Schedule of Proportionate Share of the Net Pension Liability

	2015
Employer's proportion of the net pension liability	0.004200%
Employer's proportionate share of the net pension liability	$ 157,526
Employer's covered-employee payroll during the measurement period	$ 93,593
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.69%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

NOTE 9. 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.

NOTE 9. RISK MANAGEMENT (CONTINUED)

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

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

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

NOTE 10. 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, 2015, the County paid $7,759 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.

NOTE 10. JOINT VENTURES (CONTINUED)

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

NOTE 11. 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.

NOTE 12. RESTATEMENTS

The County has determined that a restatement to beginning fund balance of the General Fund and beginning net position of Governmental Activities is required to properly reflect the amount due from other governments and the amount of the accrued liability for payroll taxes as of June 30, 2014. These restatements are as follows:

	General Fund	Governmental Activities
Fund balance/ Net position, as previously reported	$ 3,497,965	$ 18,682,128
Adjustment needed to properly reflect the amount due from the Middle Georgia Regional Solid Waste Management Authority	(54,346)	(54,346)
Adjustment needed to properly reflect unemployment taxes payable	(38,626)	(38,626)
Fund balance/Net position as restated	$ 3,404,993	$ 18,589,156

NOTE 12. RESTATEMENTS (CONTINUED)

Beginning net position for the Macon County Health Department is restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These Statements require the recording of the Employer Proportion of the Net Pension Liability for Defined Benefit Plans. The implementation of GASB 68 requires retroactive application and restatement of all periods presented.

Net position, as previously reported	$	94,836
Net pension liability		(258,112)
Deferred outflow of contributions		17,457
Net position, as restated	$	(145,819)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

The **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.

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

The **Flood Disaster Loan Fund** was established to account for a Community Development Block Grant from the Georgia Department of Community Affairs to be used for the Flood Disaster Business Loan Recovery Program.

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

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

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 533,133	$ 762,453	$ 1,295,586
Notes receivable	343,617	-	343,617
Due from other funds	218	-	218
Total assets	$ 876,968	$ 762,453	$ 1,639,421
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	53,330	10,365	63,695
Total liabilities	53,330	10,365	63,695
FUND BALANCES			
Nonspendable - long-term notes receivable	343,617	-	343,617
Restricted for:			
Capital improvements	-	752,088	752,088
Judicial programs	13,340	-	13,340
Public safety	150,867	-	150,867
Conservation and development	315,814	-	315,814
Total fund balances	823,638	752,088	1,575,726
Total liabilities and fund balances	$ 876,968	$ 762,453	$ 1,639,421

THIS PAGE INTENTIONALLY LEFT BLANK

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	$ 201,581	$ 340,960	$ 542,541
Charges for services	27,745	-	27,745
Fines and forfeitures	30,364	-	30,364
Investment income	10,468	43	10,511
Total revenues	270,158	341,003	611,161
Expenditures:			
Current:			
Judicial	1,615	-	1,615
Health and welfare	121,999	-	121,999
Conservation and development	167,111	-	167,111
Capital outlay	-	478,163	478,163
Total expenditures	290,725	478,163	768,888
Deficiency of revenues over expenditures	(20,567)	(137,160)	(157,727)
Other financing sources (uses):			
Transfers in	48,421	-	48,421
Transfers out	(50,000)	-	(50,000)
Total other financing sources (uses)	(1,579)	-	(1,579)
Net change in fund balances	(22,146)	(137,160)	(159,306)
Fund balances, beginning of year	845,784	889,248	1,735,032
Fund balances, end of year	$ 823,638	$ 752,088	$ 1,575,726

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

ASSETS	Law Library	Drug Education	Jail Fines	Federal Forfeited Property	CDBG 12h-y-096 1-5495
Cash and cash equivalents	$ 13,340	$ 87,959	$ 113,952	$ 1,868	$ 3,451
Notes receivable	-	-	-	-	-
Due from other funds	-	5	213	-	-
Total assets	$ 13,340	$ 87,964	$ 114,165	$ 1,868	$ 3,451
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	-	-	53,130	-	-
Total liabilities	-	-	53,130	-	-
FUND BALANCES					
Nonspendable - long-term notes receivable	-	-	-	-	-
Restricted for:					
Judicial programs	13,340	-	-	-	-
Public safety	-	87,964	61,035	1,868	-
Conservation and development	-	-	-	-	3,451
Total fund balances	13,340	87,964	61,035	1,868	3,451
Total liabilities and fund balances	$ 13,340	$ 87,964	$ 114,165	$ 1,868	$ 3,451

Transit System	Flood Disaster Loan	CDBG 14h-y-096 1-5683	EIP Revolving Loan	Total Nonmajor Governmental Funds
$ -	$ 161,350	$ 362	$ 150,851	$ 533,133
-	10,599	-	333,018	343,617
-	-	-	-	218
$ -	$ 171,949	$ 362	$ 483,869	$ 876,968
-	-	100	100	53,330
-	-	100	100	53,330
-	10,599	-	333,018	343,617
-	-	-	-	13,340
-	-	-	-	150,867
-	161,350	262	150,751	315,814
-	171,949	262	483,769	823,638
$ -	$ 171,949	$ 362	$ 483,869	$ 876,968

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property	CDBG 12h-y-096 1-5495
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ 54,188
Charges for services	-	-	-	-	-
Fines and forfeitures	2,869	4,756	22,739	-	-
Investment income	-	-	-	1	-
Total revenues	2,869	4,756	22,739	1	54,188
Expenditures:					
Current:					
Judicial	1,615	-	-	-	-
Health and welfare	-	-	-	-	-
Conservation and development	-	-	-	-	54,770
Total expenditures	1,615	-	-	-	54,770
Excess (deficiency) of revenues over (under) expenditures	1,254	4,756	22,739	1	(582)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(50,000)	-	-
Total other financing sources (uses)	-	-	(50,000)	-	-
Net change in fund balances	1,254	4,756	(27,261)	1	(582)
Fund balances, beginning of year	12,086	83,208	88,296	1,867	4,033
Fund balances, end of year	$ 13,340	$ 87,964	$ 61,035	$ 1,868	$ 3,451

Transit System	Flood Disaster Loan	CDBG 14h-y-096 1-5683	EIP Revolving Loan	Total Nonmajor Governmental Funds
$ 45,833	$ -	$ 101,560	$ -	$ 201,581
27,745	-	-	-	27,745
-	-	-	-	30,364
-	-	-	10,467	10,468
73,578	-	101,560	10,467	270,158
-	-	-	-	1,615
121,999	-	-	-	121,999
-	-	101,298	11,043	167,111
121,999	-	101,298	11,043	290,725
(48,421)	-	262	(576)	(20,567)
48,421	-	-	-	48,421
-	-	-	-	(50,000)
48,421	-	-	-	(1,579)
-	-	262	(576)	(22,146)
-	171,949	-	484,345	845,784
$ -	$ 171,949	$ 262	$ 483,769	$ 823,638

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, 2015

	Law Library			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 5,000	$ 2,869	$ (2,131)
Total revenues	5,000	5,000	2,869	(2,131)
Expenditures:				
Current:				
Judicial	5,000	5,000	1,615	3,385
Total expenditures	5,000	5,000	1,615	3,385
Net change in fund balance	-	-	1,254	1,254
Fund balance, beginning of year	12,086	12,086	12,086	-
Fund balance, end of year	$ 12,086	$ 12,086	$ 13,340	$ 1,254

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, 2015

	Drug Education			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 5,000	$ 4,756	$ (244)
Total revenues	5,000	5,000	4,756	(244)
Expenditures:				
Current:				
Public safety	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balance	-	-	4,756	4,756
Fund balance, beginning of year	83,208	83,208	83,208	-
Fund balance, end of year	$ 83,208	$ 83,208	$ 87,964	$ 4,756

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, 2015

	Jail Fines			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 50,000	$ 50,000	$ 22,739	$ (27,261)
Total revenues	50,000	50,000	22,739	(27,261)
Expenditures:				
Current:				
Public safety	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Excess of revenues over expenditures	-	-	22,739	(22,739)
Other financing uses:				
Transfers out	-	-	(50,000)	50,000
Total other financing uses	-	-	(50,000)	50,000
Net change in fund balance	-	-	(27,261)	27,261
Fund balance, beginning of year	88,296	88,296	88,296	-
Fund balance, end of year	$ 88,296	$ 88,296	$ 61,035	$ 27,261

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, 2015

	Federal Forfeited Property			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 25	$ 25	$ -	$ (25)
Investment income	-	-	1	1
Total revenues	25	25	1	(24)
Expenditures:				
Current:				
Public safety	25	25	-	25
Total expenditures	25	25	-	25
Net change in fund balance	-	-	1	(1)
Fund balance, beginning of year	1,867	1,867	1,867	-
Fund balance, end of year	$ 1,867	$ 1,867	$ 1,868	$ (1)

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, 2015

	CDBG 12h-y-096-1-5495			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 55,000	$ 55,000	$ 54,188	$ (812)
Total revenues	55,000	55,000	54,188	(812)
Expenditures:				
Current:				
Conservation and development	55,000	55,000	54,770	230
Total expenditures	55,000	55,000	54,770	230
Net change in fund balance	-	-	(582)	(582)
Fund balance, beginning of year	4,033	4,033	4,033	-
Fund balance, end of year	$ 4,033	$ 4,033	$ 3,451	$ (582)

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, 2015

	Transit System			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 45,833	$ 45,833	$ 45,833	$ -
Charges for services	43,131	43,131	27,745	(15,386)
Total revenues	88,964	88,964	73,578	(15,386)
Expenditures:				
Current:				
Health and welfare	137,385	137,385	121,999	15,386
Total expenditures	137,385	137,385	121,999	15,386
Deficiency of revenues over expenditures	(48,421)	(48,421)	(48,421)	-
Other financing sources:				
Transfers in	48,421	48,421	48,421	-
Total other financing sources	48,421	48,421	48,421	-
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, 2015

	Flood Disaster Loan			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Investment income	-	-	-	-
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, 2015

	CDBG 14h-y-096-1-5683			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 102,000	$ 102,000	$ 101,560	$ (440)
Total revenues	102,000	102,000	101,560	(440)
Expenditures:				
Current:				
Conservation and development	102,000	102,000	101,298	702
Total expenditures	102,000	102,000	101,298	702
Net change in fund balance	-	-	262	262
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 262	$ 262

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, 2015

	EIP Revolving Loan			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Investment income	$ 20,000	$ 20,000	$ 10,467	$ (9,533)
Total revenues	20,000	20,000	10,467	(9,533)
Expenditures:				
Current:				
Conservation and development	20,000	20,000	11,043	8,957
Total expenditures	20,000	20,000	11,043	8,957
Net change in fund balance	-	-	(576)	(576)
Fund balance, beginning of year	484,345	484,345	484,345	-
Fund balance, end of year	$ 484,345	$ 484,345	$ 483,769	$ (576)

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

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

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

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

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2015

ASSETS	Whitewater Administration Building and Infrastructure	2006 SPLOST	LMIG	Total Nonmajor Capital Project Funds
Cash and cash equivalents	$ 73,784	$ 217,917	$ 470,752	$ 762,453
Total assets	$ 73,784	$ 217,917	$ 470,752	$ 762,453
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	-	10,365	-	10,365
Total liabilities	-	10,365	-	10,365
FUND BALANCES				
Restricted for capital improvements	73,784	207,552	470,752	752,088
Total fund balances	73,784	207,552	470,752	752,088
Total liabilities and fund balances	$ 73,784	$ 217,917	$ 470,752	$ 762,453

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Whitewater Administration Building and Infrastructure	2006 SPLOST	LMIG	Total Nonmajor Capital Project Funds
Revenues:				
Intergovernmental	$ -	$ -	$ 340,960	$ 340,960
Investment income	43	-	-	43
Total revenues	43	-	340,960	341,003
Expenditures:				
Capital outlay:				
Public safety	-	129,056	-	129,056
Highways and streets	-	121,275	227,832	349,107
Total expenditures	-	250,331	227,832	478,163
Net change in fund balances	43	(250,331)	113,128	(137,160)
Fund balances, beginning of year	73,741	457,883	357,624	889,248
Fund balances, end of year	$ 73,784	$ 207,552	$ 470,752	$ 752,088

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	121,275	736,759
Public works building and recreation projects	275,000	644,847	-	644,847
Fire stations	842,000	582,458	129,056	711,514
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	$ 5,598,089	$ 250,331	$ 5,848,420
2010 Referendum				
Public safety, Public works, Recreation, and Tax Assessor capital equipment purchases	$ 1,447,000	$ 347,503	$ 217,731	$ 565,234
Annex building, Health Dept., Courthouse, EMA, Literacy Center, and Govt Office Building capital improvements	474,152	31,857	35,700	67,557
Road improvements	1,421,152	174,880	-	174,880
Aquatic recreation facility	500,000	-	-	-
Intergovernmental				
City of Ideal	283,416	149,972	40,078	190,050
City of Marshallville	730,876	386,746	103,354	490,100
City of Montezuma	2,400,010	1,369,567	309,410	1,678,977
City of Oglethorpe	656,942	347,623	92,899	440,522
	$ 7,913,548	$ 2,808,148	$ 799,172	$ 3,607,320

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2015

	Sheriff	Tax Commissioner	Clerk of Superior Court	Probate Court
ASSETS				
Cash and cash equivalents	$ 2,279	$ 145,874	$ 1,031,673	$ 13,460
Total assets	$ 2,279	$ 145,874	$ 1,031,673	$ 13,460
LIABILITIES				
Due to other taxing units	$ -	$ 116,842	$ -	$ -
Due to state	637	28,444	5,627	1,942
Retirement payable	-	-	315	176
Restitution payable	-	-	-	-
Funds held in escrow	-	-	1,020,240	-
Due to others	1,642	588	5,491	11,342
Total liabilities	$ 2,279	$ 145,874	$ 1,031,673	$ 13,460

Magistrate Court	Special Sales Tax	Total
$ 14,938	$ -	$ 1,208,224
$ 14,938	$ -	$ 1,208,224

$ -	$ -	$ 116,842
1,710	-	38,360
378	-	869
10,423	-	10,423
2,098	-	1,022,338
329	-	19,392
$ 14,938	$ -	$ 1,208,224

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Sheriff	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	$ 8,916	$ 41,254	$ 47,891	$ 2,279
Total assets	$ 8,916	$ 41,254	$ 47,891	$ 2,279
LIABILITIES				
Due to state	$ 531	$ 7,013	$ 6,907	$ 637
Due to others	8,385	34,241	40,984	1,642
Total liabilities	$ 8,916	$ 41,254	$ 47,891	$ 2,279
Tax Commissioner				
ASSETS				
Cash and cash equivalents	$ 89,067	$ 7,416,303	$ 7,359,496	$ 145,874
Total assets	$ 89,067	$ 7,416,303	$ 7,359,496	$ 145,874
LIABILITIES				
Due to other taxing units				
Macon County School Board	$ 37,577	$ 6,061,094	$ 5,989,307	$ 109,364
City of Ideal	458	10,959	11,130	287
City of Oglethorpe	1,708	32,236	32,119	1,825
City of Montezuma	4,387	100,474	101,108	3,753
City of Marshallville	1,198	40,700	40,285	1,613
Due to state	40,921	623,590	636,067	28,444
Due to others	2,818	547,250	549,480	588
Total liabilities	$ 89,067	$ 7,416,303	$ 7,359,496	$ 145,874

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Clerk of Superior Court	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	$ 350,036	$ 842,413	$ 160,776	$ 1,031,673
Total assets	$ 350,036	$ 842,413	$ 160,776	$ 1,031,673
LIABILITIES				
Due to state	$ 10,832	$ 112,923	$ 118,128	$ 5,627
Retirement payable Clerk's, Peace Officers' and Sheriff's	226	4,705	4,616	315
Funds held in escrow	323,630	708,317	11,707	1,020,240
Due to others	15,348	16,468	26,325	5,491
Total liabilities	$ 350,036	$ 842,413	$ 160,776	$ 1,031,673
Probate Court				
ASSETS				
Cash and cash equivalents	$ 12,641	$ 9,710	$ 8,891	$ 13,460
Total assets	$ 12,641	$ 9,710	$ 8,891	$ 13,460
LIABILITIES				
Due to state	$ 737	$ 5,765	$ 4,560	$ 1,942
Retirement payable	165	1,214	1,203	176
Due to others	11,739	2,731	3,128	11,342
Total liabilities	$ 12,641	$ 9,710	$ 8,891	$ 13,460

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Magistrate Court	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	$ 12,699	$ 91,692	$ 89,453	$ 14,938
Total assets	$ 12,699	$ 91,692	$ 89,453	$ 14,938
LIABILITIES				
Due to state	$ 885	$ 6,280	$ 5,455	$ 1,710
Retirement payable	236	1,256	1,114	378
Restitution payable	10,289	81,644	81,510	10,423
Funds held in escrow	1,289	809	-	2,098
Due to others	-	1,703	1,374	329
Total liabilities	$ 12,699	$ 91,692	$ 89,453	$ 14,938
Special Sales Tax Fund				
ASSETS				
Cash and cash equivalents	$ 912	$ -	$ 912	$ -
Total assets	$ 912	$ -	$ 912	$ -
LIABILITIES				
Due to other taxing units				
City of Ideal	$ 912	$ -	$ 912	$ -
Total liabilities	$ 912	$ -	$ 912	$ -

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total All Agency Funds	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	$ 474,271	$ 8,401,372	$ 7,667,419	$ 1,208,224
Total assets	$ 474,271	$ 8,401,372	$ 7,667,419	$ 1,208,224
LIABILITIES				
Due to other taxing units	$ 46,240	$ 6,245,463	$ 6,174,861	$ 116,842
Due to state	53,906	755,571	771,117	38,360
Retirement payable	627	7,175	6,933	869
Restitution payable	10,289	81,644	81,510	10,423
Funds held in escrow	324,919	709,126	11,707	1,022,338
Due to others	38,290	602,393	621,291	19,392
Total liabilities	$ 474,271	$ 8,401,372	$ 7,667,419	$ 1,208,224

THIS PAGE INTENTIONALLY LEFT BLANK

COMPLIANCE SECTION

MAULDIN & JENKINS

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, 2015, 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 17, 2015. 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. Our report also includes a reference to the change in accounting principle resulting from the Macon County Health Department's implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2015-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as 2015-002 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 responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Macon County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 17, 2015

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ____ 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, 2015 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015 - 001 Restatement of Prior Year Fund Balance of the General Fund

Criteria: Good sound internal controls require the monthly reconciliation of all balance sheet accounts to subsidiary ledgers or other supporting documentation.

Condition: During our audit we noted a receivable account and a liability account in the General Fund had not been reconciled to supporting documentation in a number of years. These accounts had previously been adjusted at the end of each year by the County's auditors.

Context: Restatements of prior year fund balance in the General Fund were required to adjust the balance due from the Middle Georgia Regional Solid Waste Management Authority and unemployment taxes payable. These adjustments reduced fund balance by a total of $92,972.

Effect: By not reconciling accounts on a regular basis throughout the year, misstatements of account balances can go undetected for significant periods of time and result in inaccurate reporting of those account balances.

Cause: Account balances were overstated as a result of periodic reconciliations not being performed.

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015 - 001 Restatement of Prior Year Fund Balance of the General Fund (Continued)

Recommendation: We recommend all account balances be reconciled to subsidiary ledgers or other supporting documentation on a regular basis and adjusted as needed.

Views of Responsible Officials: We concur. All account balances will be reconciled on a regular basis and adjusted accordingly.

2015 - 002 Segregation of Duties

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

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

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

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

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

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

Views of Responsible Officials: We concur. The offices 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, 2015

STATUS OF PRIOR YEAR AUDIT FINDINGS

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

Auditee Response/Status: Recurring. See Finding 2015 – 002.

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
12h-y-096-1-5495
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Program Activity	Activity Number	Budget	Expenditures		
			Prior Years	Current Year	Total
Rehabilitation	H-14A-01	$ 209,415	$ 211,032	$ 47,618	$ 258,650
Reconstruction	H-14A-02	232,936	174,697	-	174,697
Administration	A-21A-00	35,000	28,868	7,152	36,020
Contingencies	C-022-00	22,649	-	-	-
Totals		$ 500,000	$ 414,597	$ 54,770	$ 469,367

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
14h-y-096-1-5683
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Program Activity	Activity Number	Revised Budget	Expenditures		
			Prior Years	Current Year	Total
Clearance	H-004-00	$ 2,310	$ -	$ -	$ -
Rehabilitation	H-14A-01	158,678	-	3,100	3,100
Reconstruction	H-14A-02	288,961	-	91,398	91,398
Administration	A-21A-00	35,000	-	6,800	6,800
Contingencies	C-022-00	15,051	-	-	-
Totals		$ 500,000	$ -	$ 101,298	$ 101,298

THIS PAGE INTENTIONALLY LEFT BLANK