MACON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2019

MACON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	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 – 39
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	41
Combining Balance Sheet – Nonmajor Special Revenue Funds	42 and 43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	44 and 45
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Nonmajor Special Revenue Funds	46 – 52
Combining Balance Sheet – Nonmajor Capital Project Funds	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	54
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	55 and 56

MACON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

Combining Statement of Assets and Liabilities – Agency Funds ..... 57 and 58

Combining Statement of Changes in Assets and Liabilities – Agency Funds ..... 59 – 62

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* ..... 63 and 64

Schedule of Findings and Responses ..... 65 – 67

Schedule of Prior Year Findings 68

Management's Corrective Action Plan 69

Community Development Block Grant Program – Project Cost Schedule – 16h-y-096-1-5684 70

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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** (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Department of Public Health (the "Health Department"), whose statements reflect total assets and deferred outflows of resources of $464,723 as of June 30, 2019, and total revenues of $391,846 for the year ended June 30, 2019. 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 Health Department, 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 the County as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Community Development Block Grant project cost schedule, and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 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, the Community Development Block Grant project cost schedule, 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, the Community Development Block Grant project cost schedule, 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 26, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 26, 2019

MACON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Our Management's Discussion and Analysis ("MD&A") of Macon County, Georgia's (the "County") financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the County's financial statements.

Using This Annual Report

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

Government-wide Financial Statements

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

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

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

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

Business-type activities – The County's solid waste operations are reported here. These business-type activities were financed in whole, or in part, by user charges including landfill tipping fees. The only activity taking place in the business-type activities of the County is post-closure care, since the County's landfill closed in 1997.

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 the 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 five major governmental funds namely, the General Fund, the 2010 and 2016 Capital Special Purpose Local Option Sales Tax ("SPLOST") Projects Funds, the Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Fund and the Local Maintenance & Improvement Grant ("LMIG") Fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds – The 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 – The 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 the County's own programs. It is the County's responsibility to ensure that the resources reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is similar to that used for proprietary funds. A statement of fiduciary assets and liabilities is presented for the County's agency funds.

Notes to the Financial Statements – In addition to the government-wide and fund financial statements, this report also provides various types of supplementary information in the notes to the financial statements. These notes provide additional information essential to a full understanding of the basic financial statements. Other required supplementary information, including information about the accounting practices of the County, investments of the County, and the pension plan are some of the items included in the notes to the financial statements.

Financial Highlights – For fiscal year 2019, the County's governmental funds reported combined fund balances totaling $9,652,397; an increase of $588,930. Approximately 38.9% ($3.7 million) of the combined fund balances for governmental funds is available for spending. The remaining 61.1% ($5.9 million) is reserved in non-major special revenue funds or reserved for construction.

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

	Governmental Activities		**Business-type Activities**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018
Current and other assets	**$ 10,353,869**	$ 9,555,273	**$ 570,206**	$ 591,976	**$ 10,924,075**	$ 10,147,249
Capital Assets	**11,783,758**	11,554,369	**-**	-	**11,783,758**	11,554,369
Total Assets	**22,137,627**	21,109,642	**570,206**	591,976	**22,707,833**	21,701,618
Long-term liabilities	**629,215**	665,716	**491,636**	502,755	**1,120,851**	1,168,471
Other liabilities	**877,123**	491,806	**22,180**	-	**899,303**	491,806
Total liabilities	**1,506,338**	1,157,522	**513,816**	502,755	**2,020,154**	1,660,277
Net Assets:						
Invested in capital assets, net of related debt	**11,580,151**	11,485,590	**-**	-	**11,580,151**	11,485,590
Restricted	**5,887,916**	5,203,620	**-**	-	**5,887,916**	5,203,620
Unrestricted	**3,163,222**	3,262,910	**56,390**	89,221	**3,219,612**	3,352,131
Total Net Assets	**$ 20,631,289**	$ 19,952,120	**$ 56,390**	$ 89,221	**$ 20,687,679**	$ 20,041,341

	Governmental Activities		Business-type Activities		Total	
	2019	2018	**2019**	2018	**2019**	2018
Revenues:						
Program revenues:						
Charges for services	**1,686,949**	1,308,231	**-**	-	**1,686,949**	1,308,231
Operating grants and contributions	**9,151**	9,151	**-**	-	**9,151**	9,151
Capital grants and contributions	**616,613**	725,687	**-**	-	**616,613**	725,687
General revenues:						
Property Taxes	**4,180,922**	4,208,750	**-**	-	**4,180,922**	4,208,750
Sales taxes	**2,782,317**	2,246,022	**-**	-	**2,782,317**	2,246,022
Other taxes	**608,124**	558,441	**-**	-	**608,124**	558,441
Unrestricted investment earnings	**8,342**	10,583	**3,855**	2,593	**12,197**	13,176
Gain on sale of capital assets	**56,758**	41,500	**-**	-	**56,758**	41,500
Total Revenues	**9,949,176**	9,108,365	**3,855**	2,593	**9,953,031**	9,110,958
Expenses:						
General Government	**1,644,379**	1,458,064	**-**	-	**1,644,379**	1,458,064
Judicial	**680,713**	573,846	**-**	-	**680,713**	573,846
Public Safety	**1,622,058**	1,998,477	**-**	-	**1,622,058**	1,998,477
Public Works	**3,024,429**	2,767,729	**-**	-	**3,024,429**	2,767,729
Health and Welfare	**1,386,510**	1,141,009	**-**	-	**1,386,510**	1,141,009
Culture and recreation	**566,484**	464,578	**-**	-	**566,483**	464,578
Conservation and Development	**249,967**	297,847	**-**	-	**249,967**	297,847
Economic Development	**93,059**	93,153	**-**	-	**93,059**	93,153
Solid Waste Disposal	**-**	**-**	**36,686**	45,633	**(36,686)**	45,633
Interest in long-term debt	**2,408**	3,141	**-**	-	**-**	3,141
Total expenditures	**9,270,007**	8,797,844	**36,686**	**45,633**	**9,306,692**	8,843,477
Increase(decrease) in net assets	**679,169**	310,521	**(32,831)**	(43,040)	**646,339**	267,481
Net assets-beginning	**19,952,120**	19,641,599	**89,221**	132,261	**20,041,341**	19,773,860
Net assets-ending	**20,631,289**	19,952,120	**56,390**	89,221	**20,687,680**	20,041,341

Financial Information

Major Governmental Funds

General Fund – The central operating fund for the 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 2019, total assets were $4.4 million and total liabilities were $0.7 million. The ending fund balance of $3.7 million represents 52.2% of expenditures and transfers for the year. The ending fund balance is unassigned. In assessing the County's financial health, unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year. Total revenues for fiscal year 2019, $9.892 million, exceeded the total expenditures of $9.536 million by $355,825. This included all governmental funds.

During fiscal year 2019, General Fund Revenues for the year, $7.053 million, were greater than the original budget projected by 3%. Taxes comprised 76.2% of the General Fund's revenue stream in fiscal year 2019. Total General Fund Expenditures for fiscal year 2019 were $6.959 million, 100.1% of the final amended budget.

During fiscal year 2019, there were no funds transferred in or out of the General Fund. Funds budgeted to be transferred in were not needed. Other financing sources included $176,348 for capital leases entered into during the year and $56,758 which was generated from the sale of capital assets.

2010 Capital Projects Fund is a major capital project fund used to account for the use of 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 2019 were only $75 from investment income and expenditures were $236,872, resulting in an end of year fund balance of $715,161. No tax revenue was received.

Transportation Special Purpose Local Option Sales Tax Fund ("T-SPLOST") is a major capital projects fund used to account for the use of SPLOST levied in 2013 for the specific purpose of maintaining and improving the state and county road network. 75% of the funds generated go directly to the state for two major projects for the County. The remaining 25% is accounted for in this fund by the County and is designated for transportation related expenditures including improvements to roads, bridges, road department operating cost and the purchase of equipment. Revenues for fiscal year 2019 were $976,420; expenditures were $428,348, resulting in an end of year fund balance of $2.7 million.

2016 Capital Projects Fund is a major capital project fund used to account for the use of SPLOST levied in 2016 for the purpose of maintaining and improving the County's road network, technology upgrades in various County offices, to make facility and building improvements to the Jail, Courthouse, Whitewater Creek Park and Recreation, capital equipment and vehicle purchases for Public Works Department, Sheriff's Department, Emergency Medical Service, Fire Department, Recreation Department, Whitewater Creek Park and Maintenance Shop office and to construct a recreation facility. Revenues for fiscal year 2019 were $1.2 million and expenditures including intergovernmental transfers were $637,245, resulting in an end of year fund balance of $1,341,348.

Local Maintenance & Improvement Grant ("LMIG") Fund is being added as a major capital project fund for fiscal year 2019. The fund is used to account for funds awarded by the Georgia Department of Transportation for local road and bridge maintenance and improvements. The annual LMIG allocation is based on the total centerline road miles for each local road system and the total population of each county or city as compared with the total statewide centerline road miles and total statewide population. Revenues for fiscal year 2019 were $482,519; expenditures were $1,149,803, resulting in an end of year fund balance of $57,236. In previous years, these funds were included as a non-major governmental fund.

Non-Major Governmental Funds is a summary of non-major special revenue funds and non-major capital project funds. Special revenues are derived from the Law Library, Law Enforcement fines and activities, Jail fines, CDBG grants, operation of the Transit system, and County managed loan funds. The non-major capital funds include funds from SPLOST proceeds levied prior to 2010 and building and infrastructure for Whitewater Creek Park. Non-major governmental fund revenues for the fiscal year 2019 were $162,563 and expenditures were $125,431 resulting in an end of year fund balance of $1.06 million. The reduction in this balance is also attributable to the separation of the LMIG fund.

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 $632,575 and total liabilities were $576,185 at the end of fiscal year 2019. Expenses from post-closure cost resulted in a $32,831 decrease to the net position of the fund.

Capital Assets and Debt Administration

Capital Assets – In fiscal year 2019, investments in capital assets for governmental activities decreased $261,682 (net of accumulated depreciation). At year-end, the closed landfill had no capital assets. Governmental activities capital investment amounts to $11.6 million. During the year, the County made expenditures of $0.8 million primarily from funds collected from prior year (2010) SPLOST, the new SPLOST levy in 2016, T-SPLOST and funds from the Georgia Department of Transportation LMIG for equipment purchases and road and building improvements.

Debt Management – In 2016, the County entered into an agreement with the USDA for a note of $110,000 which changed its status from being totally debt free. The ending balance on the note as of June 30, 2019 is $47,080. The note is payable through 2021 but can be paid off early without penalty. The other long-term debts consist of compensated absences, post-closure care costs for the closed landfill and capital leases of $176,348 that the County entered into for the purchase of equipment. The combined long-term debt of the governmental and proprietary funds in fiscal year 2019 is $1.32 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, Georgia'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, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 9,069,337	$ -	$ 9,069,337	$ 192,062	$ 334,848
Investments	375,000	632,575	1,007,575	-	-
Taxes receivable	33,258	-	33,258	-	-
Accounts receivable, net of allowances	21,543	-	21,543	-	-
Notes receivable	485,554	-	485,554	69,587	-
Internal balances	62,369	(62,369)	-	-	-
Due from other governments	306,808	-	306,808	750	25,218
Post-employment benefit	-	-	-	-	21,727
Capital assets, non-depreciable	1,125,412	-	1,125,412	50,524	-
Capital assets, depreciable, net of accumulated depreciation	10,658,346	-	10,658,346	84,375	-
Total assets	22,137,627	570,206	22,707,833	397,298	381,793
DEFERRED OUTFLOWS OF RESOURCES					
Pension and OPEB items	-	-	-	-	82,930
LIABILITIES					
Accounts payable	402,521	-	402,521	598	21,783
Accrued salaries	198,951	-	198,951	1,149	-
Due to other governments	100,000	-	100,000	-	-
Compensated absences due within one year	66,795	-	66,795	-	-
Compensated absences due in more than one year	88,011	-	88,011	-	18,288
Financed purchase due within one year	86,398		86,398		
Financed purchase due in more than one year	70,128		70,128		
Net pension liability	-	-	-	-	277,176
Note payable due within one year	22,458	-	22,458	-	-
Note payable due in more than one year	24,623	-	24,623	-	-
Accrued closure/post-closure care costs due within one year	-	22,180	22,180	-	-
Accrued closure/post-closure care costs due in more than one year	446,453	491,636	938,089	-	-
Total liabilities	1,506,338	513,816	2,020,154	1,747	317,247
DEFERRED INFLOWS OF RESOURCES					
Pension and OPEB items	-	-	-	-	76,361
NET POSITION					
Net investment in capital assets	11,580,151	-	11,580,151	134,899	-
Restricted for:					
Capital improvements	5,010,953	-	5,010,953	-	-
Judicial programs	10,424	-	10,424	-	-
Public safety	152,245	-	152,245	-	-
Health and welfare	100,081	-	100,081	-	-
Conservation and development	614,213	-	614,213	-	-
Programs	-	-	-	-	121,391
Unrestricted	3,163,222	56,390	3,219,612	260,652	(50,276)
Total net position	$ 20,631,289	$ 56,390	$ 20,687,679	$ 395,551	$ 71,115

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

MACON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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	$ 1,468,031	$ 548,497	$ 1,181	$ 15,354
Judicial	680,713	192,351	-	-
Public safety	1,622,058	626,242	7,970	-
Public works	3,200,777	211,459	-	482,594
Health and welfare	1,386,510	-	-	-
Culture and recreation	566,484	-	-	118,665
Conservation and development	249,967	108,400	-	-
Economic development	93,059	-	-	-
Interest on long-term debt	2,408	-	-	-
Total governmental activities	9,270,007	1,686,949	9,151	616,613
Business-type activities:				
Solid waste disposal	36,686	-	-	-
Total business-type activities	36,686	-	-	-
Total primary government	$ 9,306,693	$ 1,686,949	$ 9,151	$ 616,613
Component units:				
Development Authority	$ 123,028	$ 25,750	$ 107,445	$ -
Health Department	317,131	79,225	312,621	-
Total component units	$ 440,159	$ 104,975	$ 420,066	$ -
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				
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
$ (902,999)	$ -	$ (902,999)	$ -	$ -
(488,362)	-	(488,362)	-	-
(987,846)	-	(987,846)	-	-
(2,506,724)	-	(2,506,724)	-	-
(1,386,510)	-	(1,386,510)	-	-
(447,819)	-	(447,819)	-	-
(141,567)	-	(141,567)	-	-
(93,059)	-	(93,059)	-	-
(2,408)	-	(2,408)	-	-
(6,957,294)	-	(6,957,294)	-	-
-	(36,686)	(36,686)	-	-
-	(36,686)	(36,686)	-	-
(6,957,294)	(36,686)	(6,993,980)	-	-
-	-	-	10,167	-
-	-	-	-	74,715
-	-	-	10,167	74,715
4,180,922	-	4,180,922	-	-
2,782,317	-	2,782,317	-	-
36,378	-	36,378	-	-
478,815	-	478,815	-	-
92	-	92	-	-
92,839	-	92,839	-	-
8,342	3,855	12,197	2,976	-
56,758	-	56,758	-	-
7,636,463	3,855	7,640,318	2,976	-
679,169	(32,831)	646,338	13,143	74,715
19,952,120	89,221	20,041,341	382,408	(3,600)
$ 20,631,289	$ 56,390	$ 20,687,679	$ 395,551	$ 71,115

MACON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	2010 SPLOST	T-SPLOST	2016 SPLOST	LMIG	Nonmajor Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 3,765,247	$ 715,161	$ 2,665,095	$ 1,287,737	$ 57,236	$ 578,861	$ 9,069,337
Investments	375,000	-	-	-	-	-	375,000
Taxes receivable	33,258	-	-	-	-	-	33,258
Accounts receivable	21,543	-	-	-	-	-	21,543
Notes receivable	-	-	-	-	-	485,554	485,554
Due from other governments	196,324	-	56,873	53,611	-	-	306,808
Due from other funds	63,268	-	-	-	-	104	63,372
Total assets	$ 4,454,640	$ 715,161	$ 2,721,968	$ 1,341,348	$ 57,236	$ 1,064,519	$ 10,354,872
LIABILITIES							
Accounts and contracts payable	$ 402,164	$ -	$ -	$ -	$ -	$ 357	$ 402,521
Accrued liabilities	198,951	-	-	-	-	-	198,951
Due to other governments	100,000	-	-	-	-	-	100,000
Due to other funds	-	-	-	-	-	1,003	1,003
Total liabilities	701,115	-	-	-	-	1,360	702,475
FUND BALANCES							
Nonspendable - long-term notes receivable	-	-	-	-	-	10,956	10,956
Restricted for:							
Capital improvements	-	715,161	2,721,968	1,341,348	57,236	175,240	5,010,953
Judicial programs	-	-	-	-	-	10,424	10,424
Public safety	-	-	-	-	-	152,245	152,245
Health and welfare	-	-	-	-	-	100,081	100,081
Conservation and development	-	-	-	-	-	614,213	614,213
Unassigned	3,753,525	-	-	-	-	-	3,753,525
Total fund balances	3,753,525	715,161	2,721,968	1,341,348	57,236	1,063,159	9,652,397
Total liabilities and fund balances	$ 4,454,640	$ 715,161	$ 2,721,968	$ 1,341,348	$ 57,236	$ 1,064,519	

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.	11,783,758
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Notes payable from direct borrowings	(47,081)
Financed purchases from direct borrowings	(156,526)
Compensated absences	(154,806)
Closure/Post-closure care costs	(446,453)
Net position of governmental activities	$ 20,631,289

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, 2019

	General	2010 SPLOST	T-SPLOST	2016 SPLOST	LMIG	Nonmajor Governmental Funds	Total
Revenues:							
Property taxes	$ 4,180,922	$ -	$ -	$ -	$ -	$ -	$ 4,180,922
Sales taxes	588,051	-	659,624	-	-	-	1,247,675
Other taxes	608,124	-	-	-	-	-	608,124
Licenses and permits	51,653	-	-	-	-	-	51,653
Intergovernmental	24,505	-	316,796	1,217,846	482,519	118,665	2,160,331
Rents and royalties	-	-	-			-	-
Charges for services	1,209,175	-	-	-	-	-	1,209,175
Fines and forfeitures	60,515	-	-	-	-	36,270	96,785
Investment income	635	75	-	79	-	7,628	8,417
Other revenues	329,336	-	-	-	-	-	329,336
Total revenues	7,052,916	75	976,420	1,217,925	482,519	162,563	9,892,418
Expenditures:							
Current:							
General government	1,411,383	-	30	10,153	-	-	1,421,566
Judicial	650,868	-	-	-	-	5,717	656,585
Public safety	1,467,990	-	-	-	-	-	1,467,990
Public works	1,456,801	-	-	900	20,850	-	1,478,551
Health and welfare	1,243,016	-	-	-	-	-	1,243,016
Culture and recreation	480,817	-	-	11,791	-	-	492,608
Conservation and development	130,855	-	-	-	-	115,495	246,350
Economic development	93,059	-	-	-	-	-	93,059
Intergovernmental	-	-	-	555,886	-	-	555,886
Debt service	24,106	-	-	-	-	-	24,106
Capital outlay	-	236,872	428,318	58,515	1,128,953	4,219	1,856,877
Total expenditures	6,958,895	236,872	428,348	637,245	1,149,803	125,431	9,536,594
Excess (deficiency) of revenues over (under) expenditures	94,021	(236,797)	548,072	580,680	(667,284)	37,132	355,824
Other financing sources:							
Financed purchase	176,348	-	-	-	-	-	176,348
Proceeds from sale of capital assets	56,758	-	-		-	-	56,758
Total other financing sources	233,106	-	-	-	-	-	233,106
Net change in fund balances	327,127	(236,797)	548,072	580,680	(667,284)	37,132	588,930
Fund balance, beginning of year	3,426,398	951,958	2,173,896	760,668	724,520	1,026,027	9,063,467
Fund balance, end of year	$ 3,753,525	$ 715,161	$ 2,721,968	$ 1,341,348	$ 57,236	$ 1,063,159	$ 9,652,397

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, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	588,930
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		975,608
Depreciation		(746,219)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(176,349)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Notes payable - principal payments		21,699
Lease payments		19,822
Change in:		
Closure/post-closure care costs		(9,610)
Compensated absences		5,288
Change in net position	$	679,169

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

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 4,019,700	$ 4,139,200	$ 4,180,922	$ 41,722
Sales taxes	475,000	565,000	588,051	23,051
Other taxes	653,000	706,100	608,124	(97,976)
Licenses and permits	62,850	51,400	51,653	253
Intergovernmental	9,170	9,170	24,505	15,335
Charges for services	1,132,700	1,183,700	1,209,175	25,475
Fines and forfeitures	61,000	56,500	60,515	4,015
Investment income	500	500	635	135
Other revenues	85,764	129,764	329,336	199,572
Total revenues	6,499,684	6,841,334	7,052,916	211,582
Expenditures:				
Current:				
General government:				
County commissioners	704,886	679,886	678,267	1,619
Board of elections	88,898	99,898	100,288	(390)
Tax commissioner	191,003	204,903	204,697	206
Tax assessor	226,953	226,953	204,853	22,100
Public buildings	183,727	203,527	203,437	90
Board of equalization	2,600	2,600	942	1,658
County attorney	19,100	19,100	16,901	2,199
Governmental offices	7,500	7,500	1,998	5,502
Total general government	1,424,667	1,444,367	1,411,383	32,984
Judicial:				
Superior court	42,983	49,483	49,288	195
Clerk of superior court	191,716	191,716	188,360	3,356
Magistrate court	77,440	75,940	70,518	5,422
Probate court	150,440	151,440	151,258	182
Juvenile court	27,196	33,996	33,966	30
Public defender	98,280	110,980	110,978	2
District attorney	31,000	46,500	46,500	-
Total judicial	619,055	660,055	650,868	9,187
Public safety:				
Sheriff	779,534	660,534	658,809	1,725
Fire	98,434	98,434	85,971	12,463
Jail	614,393	629,393	599,591	29,802
E911	63,740	63,740	63,283	457
Civil defense	26,689	41,189	40,956	233
Coroner	19,530	19,530	19,380	150
Total public safety	1,602,320	1,512,820	1,467,990	44,830

(Continued)

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued):				
Current (Continued):				
Public works:				
Highways and streets	$ 966,174	$ 969,674	$ 1,108,819	$ (139,145)
Waste collection	228,000	235,800	235,585	215
Motor vehicle maintenance	141,568	116,568	112,397	4,171
Total public works	1,335,742	1,322,042	1,456,801	(134,759)
Health and welfare:				
Physical health	90,928	90,928	90,928	-
Ambulance services	927,417	1,117,417	1,100,265	17,152
DFACS	4,500	4,500	4,500	-
Literacy Council	36,690	36,690	36,523	167
Middle Flint Council on Aging	14,400	14,400	10,800	3,600
Total health and welfare	1,073,935	1,263,935	1,243,016	20,919
Culture and recreation:				
Recreation	223,454	285,864	285,410	454
Whitewater Creek Park	152,405	195,155	195,107	48
Library	300	300	300	-
Total culture and recreation	376,159	481,319	480,817	502
Conservation and development:				
County agent	64,256	64,256	51,378	12,878
Georgia Forestry Commission	14,457	14,457	14,232	225
Planning and zoning	3,750	3,400	1,833	1,567
Building inspection	63,178	63,528	63,412	116
Total conservation and development	145,641	145,641	130,855	14,786
Economic development:				
River Valley RC	7,346	7,346	7,346	-
Development Authority	85,713	85,713	85,713	-
Total economic development	93,059	93,059	93,059	-
Debt service	24,106	24,106	24,106	-
Total expenditures	6,694,684	6,947,344	6,958,895	(11,551)
Deficiency of revenues over expenditures	(195,000)	(106,010)	94,021	200,031
Other financing sources:				
Transfers in	105,000	-	-	-
Appropriation of fund balance	55,000	55,000		
Financed purchases from direct borrowings	-	-	176,348	176,348
Proceeds from sale of assets	35,000	51,010	56,758	5,748
Total other financing sources	195,000	106,010	233,106	182,096
Net change in fund balance	-	-	327,127	382,127
Fund balance, beginning of year	2,882,563	2,995,800	3,426,398	430,598
Appropriation of fund balance	(55,000)	(55,000)	-	55,000
Fund balance, end of year	$ 2,827,563	$ 2,940,800	$ 3,753,525	$ 812,725

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

MACON COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

	Solid Waste Disposal Fund
ASSETS	
Noncurrent assets:	
Investments	$ 632,575
Total assets	632,575
LIABILITIES	
Current liabilities:	
Due to other funds	62,369
Closure/post-closure care costs due within one year	22,180
Total current liabilities	84,549
Long-term liabilities:	
Closure/post-closure care costs due in more than one year	491,636
Total long-term liabilities	491,636
Total liabilities	576,185
NET POSITION	
Unrestricted	56,390
Total net position	$ 56,390

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, 2019

	Solid Waste Disposal Fund
OPERATING EXPENSES	
Post-closure care costs	$ 36,686
Total operating expenses	36,686
Operating loss	(36,686)
NON-OPERATING REVENUE	
Interest income	3,855
Total non-operating revenue	3,855
Change in net position	(32,831)
NET POSITION, beginning of year	89,221
NET POSITION, end of year	$ 56,390

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, 2019

	Solid Waste Disposal Fund
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment	(632,575)
Maturity of investment	628,720
Interest on investments	3,855
Net cash provided by investing activities	-
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	-
End of year	$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (36,686)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in closure/post-closure payable	11,061
Increase in due to other funds	25,625
Net cash used in operating activities	$ -

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

MACON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 383,128
Total assets	$ 383,128
LIABILITIES	
Due to other taxing units	$ 56,043
Due to state	42,824
Retirement payable	697
Funds held in escrow	238,045
Due to others	45,519
Total liabilities	$ 383,128

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

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

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

Discretely Presented Component Units

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 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. For the year ended June 30th the General Fund Public Works department had excess expenditures over appropriations in the amount of $134,759, this excess was funded by available fund balance.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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".

G. Prepaid Items

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

H. Capital Assets

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

J. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category at June 30, 2019.

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, 2019.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- ***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.

- ***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, 2019, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Use of Estimates

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

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits and Investments. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, 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, 2019, the County held the following investments:

Investment	Fair Value	Maturity
Certificate of deposit	$ 375,000	November 17, 2019
Certificate of deposit	632,575	November 9, 2019
	$ 1,007,575	

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, 2019, consist of the following:

	General Fund	T-SPLOST Fund	2016 SPLOST Fund	Nonmajor Governmental Funds	Total
Receivables:					
Taxes	$ 33,258	$ -	$ -	$ -	$ 33,258
Accounts	21,543	-	-	-	21,543
Notes	-	-	-	485,554	485,554
Other governments	196,324	56,873	53,611	-	306,808
Gross receivables	251,125	56,873	53,611	485,554	847,163
Less allowance for uncollectibles	-	-	-	-	-
Net receivables	$ 251,125	$ 56,873	$ 53,611	$ 485,554	$ 847,163

Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. Taxes were levied on October 19, 2018, 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 21,2018, 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, 2019, and collected by August 31, 2019, are recognized as revenues in the year ended June 30, 2019.

The Development Authority has the ability to make loans to eligible small businesses through the Authority's Revolving Loan Program. In October 2012, the Authority made a $7,000 business start-up loan at an interest rate of 4.00% with a 120-day maturity. The maturity date of this note has been extended four times and the outstanding balance as of June 30, 2019 is $3,351 with a maturity date of August 2020. In August 2014, the Authority made an $85,000 loan to a local business with a maturity date of August 4, 2021 and an interest rate of 5.25%. The outstanding balance as of June 30, 2019 is $40,565. In May 2018 the Authority made a $22,000 business startup loan at an interest rate of 4.00% with a maturity date of September 1, 2025. The outstanding balance at June 30, 2019, is $21,700. In January 2018, the Authority made a $5,000 loan to a local business with a maturity date of January 1, 2020 and an interest rate of 4%. The outstanding balance as of June 30, 2019, is $3,971.

NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 634,342	$ -	$ -	$ -	$ 634,342
Construction in progress	-	491,070	-	-	491,070
Total capital assets, not being depreciated	634,342	491,070	-	-	1,125,412
Capital assets, being depreciated:					
Buildings	8,025,426	23,084	-	-	8,048,510
Infrastructure	6,662,186	-	-	74,163	6,736,349
Improvements	858,742	-	-	-	858,742
Machinery and equipment	4,753,758	461,454	(130,582)	(74,163)	5,010,467
Total capital assets, being depreciated	20,300,112	484,538	(130,582)	-	20,654,068
Less accumulated depreciation for:					
Buildings	3,431,911	185,554	-	155,610	3,773,075
Infrastructure	2,007,452	220,665	-	33,329	2,261,446
Improvements	526,108	25,591	-	(188,939)	362,760
Machinery and equipment	3,414,614	314,409	(130,582)	-	3,598,441
Total accumulated depreciation	9,380,085	746,219	(130,582)	-	9,995,722
Total capital assets, being depreciated, net	10,920,027	(261,681)	-	-	10,658,346
Governmental activities capital assets, net	$ 11,554,369	$ 229,389	$ -	$ -	$ 11,783,758

Transfers in the current year include assets and depreciation balances that were previously included in the improper category.

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	$ 61,455
Judicial	3,486
Public safety	155,466
Public works	422,836
Health and welfare	24,497
Culture and recreation	74,793
Conservation and development	3,686
Total depreciation expense - governmental activities	$ 746,219

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 50,524	$ -	$ -	$ 50,524
Total capital assets, not being depreciated	50,524	-	-	50,524
Capital assets, being depreciated:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	194,256	-	-	194,256
Total capital assets, being depreciated	282,918	-	-	282,918
Less accumulated depreciation for:				
Buildings	88,662	-	-	88,662
Improvements other than buildings	102,593	7,288	-	109,881
Total accumulated depreciation	191,255	7,288	-	198,543
Total capital assets, being depreciated, net	91,663	(7,288)	-	84,375
Total capital assets, net	$ 142,187	$ (7,288)	$ -	$ 134,899

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Note payable from direct borrowings	$ 68,779	$ -	$ (21,699)	$ 47,080	$ 22,458
Landfill closure/post-closure	436,843	9,610	-	446,453	-
Compensated absences	160,094	63,790	(69,078)	154,806	66,795
Financed purchases from direct borrowings	-	176,348	(19,822)	156,526	43,199
Governmental activities long-term liabilities	$ 665,716	$ 249,748	$ (110,598)	$ 804,866	$ 132,452
Business-type Activities:					
Landfill post-closure care	$ 502,755	$ 11,061	$ -	$ 513,816	$ 22,180
Business-type activities long-term liabilities	$ 502,755	$ -	$ -	$ 513,816	$ 22,180

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

Note Payable from Direct Borrowing. In 2016, the County entered into a note payable agreement in the amount of $110,000 for the purchase of an ambulance and equipment. Payments, including interest at a rate of 3.50%, are due annually with a final maturity date of January 25, 2021.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 22,458	$ 1,648	$ 24,106
2021	24,622	862	25,484
	$ 47,080	$ 2,510	$ 49,590

NOTE 5. LONG-TERM DEBT (CONTINUED)

Middle Georgia Regional Solid Waste Management Authority Landfill Post-closure Care: Federal laws and regulations require the Middle Georgia Regional Solid Waste Management Authority to place a final cover on its landfill site when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The total estimated liability for landfill closure and post-closure care costs is $1,561,027 as of June 30, 2019, 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, 2019.

In 2013, the Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/post-closure care costs of the landfill based on the percentage of ownership of each county in the Authority. The County's ownership percentage is 28.6% resulting in a closure/post-closure care liability of $446,453 at June 30, 2019. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are to be monitored through financial ratio testing on an annual basis. No commercial insurance has been purchased to satisfy financial assurance requirements.

Macon County Landfill Post-closure Care: State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. An expense provision and related liability has been recognized based on the future post-closure care cost that will be incurred after the date the landfill no longer accepted waste, which was June 30, 1997. The estimated liability for landfill post-closure care cost is $513,816 at June 30, 2019. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close monitor and maintain the landfill were acquired as of June 30, 2019. However, the actual cost of post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings

On June 24, 2019, the County entered into a financed purchase agreement in the amount of $116,882 at zero percent interest to finance the purchase of equipment. Monthly principal payments are required until maturity on June 30, 2024.

On September 1, 2018, the County entered into a financed purchase agreement in the amount of $56,466 at zero percent interest to finance the purchase of equipment. Monthly principal payments are required until maturity on September 20, 2020.

The original cost of the County's assets under the purchase arrangements at June 30, 2019 is $176,348, with $4,956 of accumulated depreciation and depreciation expense at year-end.

Future payments as of June 30, 2019 for the financed purchases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 43,199	$ -	$ 43,199
2021	43,199	-	43,199
2022	23,376	-	23,376
2023	23,376	-	23,376
2024	23,376	-	23,376
	$ 156,526	$ -	$ 156,526

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/from other funds:

Due To	Due From	Amount
General Fund	Solid Waste Disposal Fund	$ 62,369
General Fund	Nonmajor Governmental Funds	899
Nonmajor Governmental Funds	Nonmajor Governmental Funds	104
		$ 63,372

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

NOTE 7. RETIREMENT PLAN

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

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend, from time to time, the contribution rates for the employer and its plan members. The plan was modified in fiscal year 2006 to allow for directed investments and to allow for the purchase of life insurance at the option of the employee. The authority for the plan, benefits, vesting, and contributions is established by the Board of Commissioners. During the plan year, the County's required and actual contributions amounted to $128,216, which was 6.41% of the covered payroll of $2,000,624. The County's total payroll was $2,778,960. The contributions are invested in annuity and life insurance products. Employees are given the option of contributing to the funds, 51% to annuities and 49% to life insurance, or 100% to annuities.

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

NOTE 8. RISK MANAGEMENT

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

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

NOTE 8. RISK MANAGEMENT (CONTINUED)

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

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

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

NOTE 9. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2019, the County paid $7,346 in such dues. Membership in the Regional Commission is required by the Official Code of Georgia Annotated ("O.C.G.A.") § 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. O.C.G.A. § 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 9. JOINT VENTURES (CONTINUED)

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

NOTE 10. COMMITMENTS AND CONTINGENCIES

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

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

The **2006 SPLOST Fund** is used to account for costs associated with improvements to the County's jails, roads, streets, drainage and bridges, Whitewater Creek Park and Recreation Complex and the construction and equipping of two fire stations within the County. These improvements are financed by a special 1% sales tax.

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 402,822	$ 176,039	$ 578,861
Notes receivable	485,554	-	485,554
Due from other funds	104	-	104
Total assets	$ 888,480	$ 176,039	$ 1,064,519
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 357	$ -	$ 357
Due to other funds	204	799	1,003
Total liabilities	561	799	1,360
FUND BALANCES			
Nonspendable - long-term notes receivable	10,956	-	10,956
Restricted for:			
Capital improvements	-	175,240	175,240
Judicial programs	10,424	-	10,424
Public safety	152,245	-	152,245
Conservation and development	614,213	-	614,213
Health and welfare	100,081		100,081
Total fund balances	887,919	175,240	1,063,159
Total liabilities and fund balances	$ 888,480	$ 176,039	$ 1,064,519

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental	$ 118,665	$ -	$ 118,665
Fines and forfeitures	36,270	-	36,270
Investment income	7,628	-	7,628
Total revenues	162,563	-	162,563
Expenditures:			
Current:			
Judicial	5,717	-	5,717
Conservation and development	115,495	-	115,495
Capital outlay	-	4,219	4,219
Total expenditures	121,212	4,219	125,431
Net change in fund balances	41,351	(4,219)	37,132
Fund balances, beginning of year	846,568	179,459	1,026,027
Fund balances, end of year	$ 887,919	$ 175,240	$ 1,063,159

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property
ASSETS				
Cash and cash equivalents	$ 10,424	$ 99,977	$ 150,481	$ 1,868
Notes receivable	-	-	-	-
Due from other funds	-	104	-	-
Total assets	$ 10,424	$ 100,081	$ 150,481	$ 1,868
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -
Due to other funds	-	-	104	-
Total liabilities	-	-	104	-
FUND BALANCES				
Nonspendable - long-term notes receivable	-	-	-	-
Restricted for:				
Judicial programs	10,424	-	-	-
Public safety	-	-	150,377	1,868
Conservation and development	-	-	-	-
Health and welfare	-	100,081	-	-
Total fund balances	10,424	100,081	150,377	1,868
Total liabilities and fund balances	$ 10,424	$ 100,081	$ 150,481	$ 1,868

Flood Disaster Loan	EIP Revolving Loan	CDBG 16h-y-096-1-5684	Total Nonmajor Special Revenue Funds
$ 91,170	$ 44,714	$ 4,188	$ 402,822
10,956	474,598	-	485,554
-	-	-	104
$ 102,126	$ 519,312	$ 4,188	$ 888,480
$ 357	$ -	$ -	$ 357
-	-	100	204
357	-	100	561
10,956	-	-	10,956
-	-	-	10,424
-	-	-	152,245
90,813	519,312	4,088	614,213
-	-	-	100,081
101,769	519,312	4,088	887,919
$ 102,126	$ 519,312	$ 4,188	$ 888,480

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Law Library	Drug Education	Jail Fines	Federal Forfeited Property
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Fines and forfeitures	3,064	4,436	28,770	-
Investment income	-	-	-	-
Total revenues	3,064	4,436	28,770	-
Expenditures:				
Current:				
Judicial	5,717	-	-	-
Conservation and development	-	-	-	-
Total expenditures	5,717	-	-	-
Net change in fund balances	(2,653)	4,436	28,770	-
Fund balances, beginning of year	13,077	95,645	121,607	1,868
Fund balances, end of year	$ 10,424	$ 100,081	$ 150,377	$ 1,868

Flood Disaster Loan	EIP Revolving Loan	CDBG 16h-y-096-1-5684	Total Nonmajor Special Revenue Funds
$ -	$ -	$ 118,665	$ 118,665
-	-	-	36,270
-	7,628	-	7,628
-	7,628	118,665	162,563
-	-	-	5,717
40	-	115,455	115,495
40	-	115,455	121,212
(40)	7,628	3,210	41,351
101,809	511,684	878	846,568
$ 101,769	$ 519,312	$ 4,088	$ 887,919

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Law Library			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,800	$ 5,800	$ 3,064	$ (2,736)
Total revenues	5,800	5,800	3,064	(2,736)
Expenditures:				
Current:				
Judicial	5,800	5,800	5,717	83
Total expenditures	5,800	5,800	5,717	83
Net change in fund balance	-	-	(2,653)	(2,653)
Fund balance, beginning of year	13,077	13,077	13,077	-
Fund balance, end of year	$ 13,077	$ 13,077	$ 10,424	$ (2,653)

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Drug Education			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 5,000	$ 5,000	$ 4,436	$ (564)
Total revenues	5,000	5,000	4,436	(564)
Expenditures:				
Current:				
Health and welfare	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balance	-	-	4,436	4,436
Fund balance, beginning of year	95,645	95,645	95,645	-
Fund balance, end of year	$ 95,645	$ 95,645	$ 100,081	$ 4,436

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Jail Fines			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Fines and forfeitures	$ 35,000	$ 35,000	$ 28,770	$ (6,230)
Total revenues	35,000	35,000	28,770	(6,230)
Expenditures:				
Current:				
Public safety	35,000	35,000	-	35,000
Total expenditures	35,000	35,000	-	35,000
Net change in fund balance	-	-	28,770	28,770
Fund balance, beginning of year	121,607	121,607	121,607	-
Fund balance, end of year	$ 121,607	$ 121,607	$ 150,377	$ 28,770

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Flood Disaster Loan			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Conservation and development	-	-	40	(40)
Total expenditures	-	-	40	(40)
Net change in fund balance	-	-	(40)	(40)
Fund balance, beginning of year	101,809	101,809	101,809	-
Fund balance, end of year	$ 101,809	$ 101,809	$ 101,769	$ (40)

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	EIP Revolving Loan			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Investment income	-	-	7,628	7,628
Total revenues	-	-	7,628	7,628
Expenditures:				
Current:				
Conservation and development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	7,628	7,628
Fund balance, beginning of year	511,684	511,684	511,684	-
Fund balance, end of year	$ 511,684	$ 511,684	$ 519,312	$ 7,628

MACON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	CDBG 16h-y-096-1-5684			
	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 150,000	$ 150,000	$ 118,665	$ (31,335)
Total revenues	150,000	150,000	118,665	(31,335)
Expenditures:				
Current:				
Conservation and development	150,000	150,000	115,455	34,545
Total expenditures	150,000	150,000	115,455	34,545
Net change in fund balance	-	-	3,210	3,210
Fund balance, beginning of year	878	878	878	-
Fund balance, end of year	$ 878	$ 878	$ 4,088	$ 3,210

MACON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2019

	Whitewater Administration Building and Infrastructure	2006 SPLOST	Total Nonmajor Capital Project Funds
ASSETS			
Cash and cash equivalents	$ 67,694	$ 108,345	$ 176,039
Total assets	$ 67,694	$ 108,345	$ 176,039
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	$ -	$ 799	$ 799
Total liabilities	-	799	799
FUND BALANCES			
Restricted for capital improvements	67,694	107,546	175,240
Total fund balances	67,694	107,546	175,240
Total liabilities and fund balances	$ 67,694	$ 108,345	$ 176,039

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Whitewater Administration Building and Infrastructure	2006 SPLOST	Total Nonmajor Capital Project Funds
Expenditures:			
Culture and recreation	-	4,219	4,219
Infastructure	-	-	-
Total expenditures	-	4,219	4,219
Net change in fund balances	-	(4,219)	(4,219)
Fund balances, beginning of year	67,694	111,765	179,459
Fund balances, end of year	$ 67,694	$ 107,546	$ 175,240

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Estimated Cost Original and Current	Expenditures Prior Years	Current Year	Total
2003 Referendum				
Road improvements	$ 3,349,498	$ 3,349,498	$ -	$ 3,349,498
Whitewater Creek Park	360,000	360,000	-	360,000
Administrative building	250,000	250,000	-	250,000
Road, street, drainage and bridge improvements	3,100,000	3,059,090	-	3,059,090
Intergovernmental				
City of Ideal	175,000	175,000	-	175,000
City of Marshallville	460,000	460,000	-	460,000
City of Montezuma	1,500,000	1,500,000	-	1,500,000
City of Oglethorpe	410,000	410,000	-	410,000
	$ 9,604,498	$ 9,563,588	$ -	$ 9,563,588
2006 Referendum				
Jail renovations and improvements	$ 500,000	$ 1,002,604	$ -	$ 1,002,604
Road, street, drainage and bridge improvements	1,383,000	788,171	799	788,970
Public works building and recreation projects	275,000	648,321	-	648,321
Fire stations	842,000	750,379	3,420	753,799
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	$ 5,942,171	$ 4,219	$ 5,946,390
2010 Referendum				
Public safety, public works, recreation, and Tax Assessor capital equipment purchases	$ 1,447,000	$ 1,294,667	$ 169,283	$ 1,463,950
Annex building, health dept., courthouse, EMA, literacy center, and Government office building capital improvements	474,152	315,634	6,319	321,953
Road improvements	1,421,152	241,500	61,270	302,770
Aquatic recreation facility	500,000	445,653	-	445,653
Intergovernmental				
City of Ideal	283,416	247,047	-	247,047
City of Marshallville	730,876	637,086	-	637,086
City of Montezuma	2,400,010	1,907,232	-	1,907,232
City of Oglethorpe	656,942	572,639	-	572,639
	$ 7,913,548	$ 5,661,458	$ 236,872	$ 5,898,330

MACON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Estimated Cost Original and Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2016 Referendum				
Public works dept., sheriff's dept., Emergency Medical Service, fire dept., recreation dept., public safety, Whitewater Creek Park, Commissioner's office, and Board of Elections capital equipment purchases	$ 1,230,000	$ 195,212	$ 9,363	204,575
Courthouse annex building, health department EMA building, Government offices, recreation building, Whitewater Creek Park, county jail, public works, E911	706,600	81,346	71,096	152,442
Road improvements	1,355,000	-	900	900
Recreational Facility	600,000	-	-	-
Intergovernmental				
City of Ideal	227,000	60,805	41,244	102,049
City of Marshallville	657,000	176,138	119,475	295,613
City of Montezuma	1,571,551	420,973	285,547	706,520
City of Oglethorpe	318,285	161,609	109,620	271,229
	$ 6,665,436	$ 1,096,083	$ 637,245	$ 1,733,328

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, 2019

	Sheriff	Tax Commissioner	Clerk of Superior Court	Probate Court
ASSETS				
Cash and cash equivalents	$ 17,640	$ 110,456	$ 228,912	$ 15,388
Total assets	$ 17,640	$ 110,456	$ 228,912	$ 15,388
LIABILITIES				
Due to other taxing units	$ -	$ 56,043	$ -	$ -
Due to state	205	41,824	-	-
Retirement payable	-	-	135	350
Funds held in escrow	-	-	228,777	-
Due to others	17,435	12,589	-	15,038
Total liabilities	$ 17,640	$ 110,456	$ 228,912	$ 15,388

	Magistrate Court		Total
$	10,732	$	383,128
$	10,732	$	383,128
$	-	$	56,043
	795		42,824
	212		697
	9,268		238,045
	457		45,519
$	10,732	$	383,128

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Sheriff	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	$ 15,220	$ 53,398	$ 50,978	$ 17,640
Total assets	$ 15,220	$ 53,398	$ 50,978	$ 17,640
LIABILITIES				
Due to state	$ 310	$ 1,346	$ 1,451	$ 205
Due to others	14,910	52,052	49,527	17,435
Total liabilities	$ 15,220	$ 53,398	$ 50,978	$ 17,640
Tax Commissioner				
ASSETS				
Cash and cash equivalents	$ 91,887	$ 6,783,360	$ 6,764,791	$ 110,456
Total assets	$ 91,887	$ 6,783,360	$ 6,764,791	$ 110,456
LIABILITIES				
Due to other taxing units				
Macon County School Board	$ 13,783	$ 5,840,772	$ 5,810,575	$ 43,980
City of Ideal	706	9,928	9,819	815
City of Oglethorpe	2,445	28,872	29,052	2,265
City of Montezuma	5,883	86,337	85,395	6,825
City of Marshallville	2,038	34,687	34,567	2,158
Due to state	55,386	699,130	712,692	41,824
Due to others	11,646	83,634	82,691	12,589
Total liabilities	$ 91,887	$ 6,783,360	$ 6,764,791	$ 110,456

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Clerk of Superior Court	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	$ 274,080	$ 290,852	$ 336,020	$ 228,912
Total assets	$ 274,080	$ 290,852	$ 336,020	$ 228,912
LIABILITIES				
Retirement payable Clerk's, Peace Officers' and Sheriff's	$ 340	$ 172	$ 377	$ 135
Funds held in escrow	273,740	290,680	335,643	228,777
Total liabilities	$ 274,080	$ 290,852	$ 336,020	$ 228,912
Probate Court				
ASSETS				
Cash and cash equivalents	$ 9,329	$ 70,010	$ 63,951	$ 15,388
Total assets	$ 9,329	$ 70,010	$ 63,951	$ 15,388
LIABILITIES				
Retirement payable	$ 272	$ 2,241	$ 2,163	$ 350
Due to others	9,057	67,769	61,788	15,038
Total liabilities	$ 9,329	$ 70,010	$ 63,951	$ 15,388

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Magistrate Court	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	$ 8,828	$ 136,809	$ 134,905	$ 10,732
Total assets	$ 8,828	$ 136,809	$ 134,905	$ 10,732
LIABILITIES				
Due to state	$ 780	$ 10,136	$ 10,121	$ 795
Retirement payable	208	2,702	2,698	212
Funds held in escrow	7,440	118,146	116,318	9,268
Due to others	400	5,825	5,768	457
Total liabilities	$ 8,828	$ 136,809	$ 134,905	$ 10,732

MACON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total All Agency Funds	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	$ 399,344	$ 7,334,429	$ 7,350,645	$ 383,128
Total assets	$ 399,344	$ 7,334,429	$ 7,350,645	$ 383,128
LIABILITIES				
Due to other taxing units	$ 24,855	$ 6,000,596	$ 5,969,408	$ 56,043
Due to state	56,476	710,612	724,264	42,824
Retirement payable	820	5,115	5,238	697
Funds held in escrow	281,180	408,826	451,961	238,045
Due to others	36,013	209,280	199,774	45,519
Total liabilities	$ 399,344	$ 7,334,429	$ 7,350,645	$ 383,128

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 26, 2019. Our report includes a reference to other auditors who audited the financial statements of the Macon County Department of Public Health (the "Health Department"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2019 – 002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as 2019 – 001 to be a significant deficiency.

Compliance and Other Matters

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

Macon County, Georgia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County'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 26, 2019

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 due to the total amount expended being less than $750,000.

MACON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2019 – 001 Segregation of Duties

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

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

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

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

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

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

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

2019 – 002 Accounting Process – Development Authority of Macon County (Component Unit)

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

Condition: The Authority essentially maintains its general ledger on the cash basis and had not yet adjusted its records to the accrual basis at year-end for financial reporting purposes. Accounts receivable, notes receivable, and capital assets were not properly recorded in the Authority’s general leger at June 30, 2019.

Context: We addressed this matter with personnel of the Authority and the appropriate audit adjustments needed at June 30, 2019 were determined and recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019 – 002 Accounting Process – Development Authority of Macon County (Component Unit) (Continued)

Effect: Adjustments were required to be recorded as follows:

- An adjustment of $19,114 was necessary to accurately record note receivable activity.
- An adjustment of $1,614 was required to properly record accounts payable at June 30, 2019.
- An adjustment of $7,288 was necessary to record current year depreciation on the Authority's capital assets.

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

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

MACON COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

STATUS OF PRIOR YEAR AUDIT FINDINGS

2018 – 001 Segregation of Duties

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

Condition: Appropriate segregation of duties 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 2019 – 001.

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

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

Condition: The Authority is essentially maintains its general ledger on the cash basis and had not yet adjusted its records to the accrual basis at year-end for financial reporting purposes. Accounts receivable, notes receivable, accounts payable, and capital assets were not properly recorded in the Authority's general leger at June 30, 2018. Additionally, prior year audit entries were not posted to the Authority's general ledger.

Auditee Response/Status: Recurring. See Finding 2019 – 002.

MACON COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

2019 – 001 Segregation of Duties

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

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

Anticipated Completion Date: In future years

2019 – 002 Accounting Process – Development Authority of Macon County

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

Corrective Action Plan: Prior to fieldwork for the FY2019 audit, Authority management will ensure the books and records are adjusted to the accrual basis of accounting and all audit entries from FY2018 have been recorded.

Anticipated Completion Date: June 30, 2019

MACON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
16h-y-096-1-5684
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Program Activity	Activity Number	Revised Budget	Expenditures		
			Prior Years	Current Year	Total
Acquisition	P-001-01	$ 1,000	$ -	$ -	$ -
Clearance	H-004-00	3,220	3,220	-	3,220
Rehabilitation	H-14A-01	270,121	99,585	34,637	134,222
Reconstruction	H-14A-02	161,774	120,962	80,819	201,781
Administration	A-21A-00	28,885	-	-	-
Contingencies	C-022-00	35,000	18,250	-	18,250
Totals		$ 500,000	$ 242,017	$ 115,455	$ 357,472