

REPORT ON AUDIT
Fiscal Year Ended June 30, 1933
MACON COUNTY
North Carolina

Charlotte, N. C., July 31, 1933.
Board of Commissioners,
Macon County,
Franklin, N. C.
Gentlemen:

Pursuant to engagement, we have audited the accounts of Macon County, North Carolina, for the fiscal year ended June 30, 1933, and beg to submit herewith our report thereon, consisting of the following Exhibits, which, in our opinion, reflect the true financial position of the County as of June 30, 1933, and the result of its operations for the year ended that date:

1. FINANCIAL POSITION

Exhibit I, presents a detail analysis of the financial position of the County, including all school funds. A brief condensation summarized from this exhibit would appear as follows:

Table with 2 columns: Item, Amount. Includes Total Assets (\$252,992.93), Total Liabilities and Operating Reserves (\$106,974.90), and Accounts (\$156,617.41).

A further summary of the surplus accounts reflects the following: General County \$9,153.64, Special County 703.97, General Debt Service 20,883.09, Special Debt Service 78,643.20, Special Roads 11,095.77, General Schools 9,390.50, Special Schools 26,747.24.

A reserve amounting to \$47,382.47 has been set aside to provide against the final settlement to be made with the Tax Collector covering the years 1925 through 1930.

With the present status of the Tax Collector's accounts as detailed in audit report covering this function, the tax collector overpaid the accounts to the extent of \$1,986.61, which has been set up as a liability subject to and contingent with the procedure relative to the releases, unlocated land sales certificates, etc.

Table with 2 columns: Year, Amount. Shows delinquent taxes from 1925 to 1930, totaling \$122,237.78.

Table with 2 columns: Item, Amount. Shows Sundry Delinquent Taxes (\$95.72) and Land Sales Certificates (\$18,314.38).

LESS: Reserve for Final Settlement Delinquent Taxes \$47,382.47

NET DELINQUENT TAXES \$94,165.41

Table with 2 columns: Year, Amount. Shows current and semi-current taxes for 1931 and 1932, totaling \$69,654.22.

It is our understanding that your Board will require a final settlement both on 1931 and 1932 taxes on the first Monday in October of this year.

The total Notes Receivable Account amounts to \$43,391.36. \$34,007.96 of this amount represents notes accepted from the Bank of Franklin at the time this bank ceased to function prior to the reorganization.

Liabilities, Reserves and Fund Surplus. Includes Notes Payable (\$4,450.00), Accounts and Notes Payable (\$3,604.38), Debt Service in Default (\$58,180.00), Reserve State School Taxes (\$17,464.18), and Contra Reserves (\$2,083.19).

IN ACCOUNT WITH C. L. INGRAM, TAX COLLECTOR. Subject to Final Disposition—Tax Releases and Unlocated Land Sales Certificates. \$1,986.61

COUNTY SCHOOLS OPERATING RESERVES. School Debt Service in Default \$9,547.00

Bank & Trust Company of New York City, dated January 1, 1933, there is a balance at this bank to the credit of Macon County amounting to \$26,565.10.

This money should only be disbursed in the liquidation of debt service in default, and the bank should be notified to pay out this money only upon duly authorized lists of debt service in default.

You will note among the Deferred Charges "County Home \$5,000.00." This item covers a trade whereby the old County Home property was traded for new property, the County paying a difference of this amount.

Exhibit III reflects a detail of the budget and operating position for the year. This statement reflects a very creditable showing, indicating, of course, that the affairs of your County are being conducted in a very efficient and economical manner.

A summarization of the budget and operating position follows: Total Requirements for the Year \$74,525.00, Total Revenues Realized \$79,430.56.

REQUIREMENTS BUDGET SURPLUS \$4,905.56. Total Appropriations for the Year \$74,525.00. Total Expenditures and Commitments \$72,789.13.

APPROPRIATIONS BUDGET SURPLUS \$1,735.87. TOTAL OPERATING AND BUDGET SURPLUS \$6,641.43.

We further recommend that the office of the Clerk of the Court be audited and the affairs of this office be put in order.

Respectfully submitted, R. C. BIRMINGHAM & CO. By R. C. Birmingham, C.P.A.

Table with 2 columns: Item, Amount. Shows Assets and Deferred Charges: CASH ON DEPOSIT (\$501.85), DELINQUENT TAXES—REGULAR (\$2,261.39), DELINQUENT TAXES—SUNDRY (\$995.72), LAND SALES CERTIFICATES (\$18,314.38).

Table with 2 columns: Item, Amount. Shows DEDUCT—Reserve for Final Settlement Delinquent Taxes (\$47,382.47).

Table with 2 columns: Year, Amount. Shows CURRENT AND SEMI-CURRENT TAXES for 1931 and 1932, totaling \$69,654.22.

Table with 2 columns: Item, Amount. Shows NOTES RECEIVABLE: Liquidation Account—Bank of Franklin (\$34,007.96), Sinking Fund Investments (\$9,383.40).

Table with 2 columns: Item, Amount. Shows DEFERRED CHARGES: Commission Advances to A. B. Slagle (\$5,559.70), Returned Checks—Chargeable to A. B. Slagle (\$39.68), County Home Purchased Through Operating Funds (\$5,000.00).

Table with 2 columns: Item, Amount. Shows DEBT SERVICE CASH: Central Hanover Bank & Trust Co., N.Y.C. (\$26,565.10), LESS—Reserve for Debt Service Cash (\$26,565.10).

Table with 2 columns: Item, Amount. Shows Liabilities, Reserves and Fund Surplus: NOTES PAYABLE (\$4,450.00), ACCOUNTS AND NOTES PAYABLE (\$3,604.38), DEBT SERVICE IN DEFAULT (\$58,180.00), RESERVE STATE SCHOOL TAXES (\$17,464.18), CONTRA RESERVES (\$2,083.19).

Table with 2 columns: Item, Amount. Shows IN ACCOUNT WITH C. L. INGRAM, TAX COLLECTOR (\$1,986.61).

Table with 2 columns: Item, Amount. Shows COUNTY SCHOOLS OPERATING RESERVES: School Debt Service in Default (\$9,547.00).

Table with 2 columns: Item, Amount. Shows DEBT SERVICE IN DEFAULT: Debt Service in Default at June 30, 1933, was: Principal (\$8,500.00), Interest (\$49,680.00).

Table with 2 columns: Item, Amount. Shows BONDS: Total bonds outstanding, after the default of \$8,500.00 has been deducted, amounted to \$972,000.00. From which is deducted: 315,000.00. Or a balance of \$657,000.00.

The item of \$315,000.00 represents the issue of road bonds that has been assumed by the State Highway Commission until such time that a loan to the Commission of \$300,000.00 has been liquidated.

The status of the surety bonds remains unchanged from that of June 30, 1932. Refer to audit report as of that date.

We desire to compliment your County Accountant for the excellent manner in which he is handling the accounts and records. These accounts were found to have been handled in a most satisfactory and pleasing manner.

With the exception of the delinquent taxes, the financial and operating position of your County reflects a very creditable showing. The future of the debt service in default depends largely, and practically conclusively, upon the collection of the greater part of the delinquent taxes, including, of course, the land sales certificates.

We would also recommend that all effort possible be immediately put forth toward the collection of monies due the County on the notes receivable hereinbefore referred to.

Respectfully submitted, R. C. BIRMINGHAM & CO. By R. C. Birmingham, C.P.A.

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Table with 2 columns: Item, Amount. Shows COUNTY SCHOOLS OPERATING RESERVES: School Debt Service in Default (\$9,547.00).

Table with 2 columns: Item, Amount. Shows School Vouchers Withheld by County Accountant (\$9,659.54), TOTAL LIABILITIES AND RESERVES (\$106,974.90), FUND SURPLUS: General County Fund (\$9,153.64), Special County Fund (\$703.97), General Debt Service Fund (\$20,883.09).

Table with 2 columns: Item, Amount. Shows TOTAL COUNTY-WIDE SURPLUS: Franklin Debt Service Fund (\$45,289.76), Nantahala Debt Service Fund (\$21,761.59), Highlands Debt Service Fund (\$11,591.85).

Table with 2 columns: Item, Amount. Shows Franklin Roads (\$4,618.03), Millshoal Roads (\$275.27), Ellijay Roads (\$585.44), Sugarfork Roads (\$431.50), Highlands Roads (\$936.35), Flats Roads (\$177.92), Smith Bridge Roads (\$890.58), Cartoogechaye Roads (\$704.03), Nantahala No. 1 Roads (\$384.25), Nantahala No. 2 Roads (\$735.51), Burningtown Roads (\$529.28), Cowee Roads (\$827.61).

Table with 2 columns: Item, Amount. Shows General Schools: Current Expense (\$7,261.63), Capital Outlay (\$541.89), Debt Service (\$1,586.98).

Table with 2 columns: Item, Amount. Shows District Schools: Franklin (\$11,969.40), Highlands (\$5,505.07), Union (\$690.40), Iola (\$961.55), Holly Springs (\$393.60), Higdonville (\$405.87), Salem (\$772.01), Pine Grove (\$493.17), Clear Creek (\$321.35), Mulberry (\$519.49), Hickory Knoll (\$624.94), Academy (\$315.97), Otto (\$487.62), Slagle (\$1,476.55), Acquone (\$767.62), Beecher (\$642.83), Mountain Grove (\$16.57), Chapel (\$383.23).

Table with 2 columns: Item, Amount. Shows TOTAL LIABILITIES, RESERVES AND SURPLUS (\$263,592.31).

EXHIBIT III Budget Position MACON COUNTY, N. C. June 30, 1933

Table with 4 columns: REVENUES AND REQUIREMENTS, Budget, Realized, Budget Surplus. Shows A GENERAL FUND, B SPECIAL FUND, C DEBT SERVICE FUND.

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Table with 4 columns: COUNTY ACCOUNTANT, Salary—County Accountant (\$1,620.00), Salary—Assistant (\$437.50), Supplies (\$200.00), Printing and Stationery (\$50.00).

Table with 4 columns: COURT HOUSE AND GROUNDS, Salary—Janitor (\$180.00), Fuel (\$25.00), Janitor's Supplies (\$50.00), Lights and Water (\$100.00), Repairs (\$25.00), Insurance (\$150.00).

Table with 4 columns: REGISTER OF DEEDS, Supplies (\$150.00).

Table with 4 columns: SHERIFF, Capturing Stills (\$75.00), Fees and Costs (\$500.00), Supplies (\$25.00), Conveying Prisoners & Insane (\$400.00).

Table with 4 columns: HEALTH, Salary—Health and Welfare (\$750.00), Salary—Coroner (\$100.00).

Table with 4 columns: FARM DEMONSTRATION, Salary—Farm Agent (\$1,080.00), Supplies (\$15.00), Agriculture Fair (\$25.00).

Table with 4 columns: B SPECIAL FUND, 1 PAUPER: Keeper—County Home (\$1,800.00), Medical (\$150.00), Insurance (\$36.00), Burial Expense (\$300.00), Outside Aid (\$714.00).

Table with 4 columns: COURTS, Salary—Juvenile Judge (\$100.00), Court Stenographer (\$500.00), Juror and Witness Fees (\$3,500.00), Court Costs (\$2,500.00), Supplies (\$300.00).

Table with 4 columns: JAIL, Jailer and Supplies (\$1,000.00), Insurance (\$25.00), Repairs (\$25.00).

Table with 4 columns: FIRE PROTECTION, \$600.00.

Table with 4 columns: DEBT SERVICE FUND, Bond Interest Paid and Accrued (\$41,915.00), Maturing Bonds Paid and Accrued (\$8,500.00).

Table with 4 columns: BUDGET SUMMARY, Revenues and Requirements (\$74,525.00), Expenditures and Appropriations (\$74,525.00).

Table with 4 columns: EXCESS OF REVENUES OVER EXPENDITURES AND D. S. DEFAULT (\$6,641.43), BUDGET SURPLUS (\$6,641.43).

Table with 4 columns: DEBT SERVICE CASH ON DEPOSIT, Per Statement of Bank as of January 31, 1933 (\$2,100.00), etc.

EXHIBIT VIII Bonds MACON COUNTY, N. C. June 30, 1933

Table with 7 columns: % DATE, DESCRIPTIVE, MATURITY, PLACE PAYABLE, AMT., PRINCIPAL, DEFUALT, INTEREST, TOTAL, & DEFAULT.

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