CITY OF MONTICELLO, GEORGIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CITY OF MONTICELLO, GEORGIA
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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council,
City of Monticello, Georgia:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Monticello, Georgia (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basis financial statements is not affected by this missing information. See pages 37 through 40.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual fund financial statements and schedules, as well as Schedules of Projects Constructed with Special Purpose Local Sales Tax Proceeds which are presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121 and 48-8-269.5, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and additional schedules 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 information is 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 March 4, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
March 4, 2026

CITY OF MONTICELLO, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 2,559,404	$ 717,429	$ 3,276,833	$ 23,274
Investments	1,630,201	-	1,630,201	-
Receivables, net	75,637	862,133	937,770	-
Internal balances	1,459,445	(1,459,445)	-	-
Due from other governments, net	149,349	-	149,349	-
Notes receivable	2,553	85,784	88,337	-
Leases receivable	286,331	-	286,331	-
Prepaids	20,459	28,365	48,824	-
Restricted assets:				
Cash and cash equivalents	-	456,619	456,619	-
Investments	-	2,259,750	2,259,750	-
Capital assets:				
Capital assets, not being depreciated	18,947	3,478,002	3,496,949	-
Other capital assets, net of depreciation	4,406,588	7,568,620	11,975,208	75,921
Total assets	$ 10,608,914	$ 13,997,257	$ 24,606,171	$ 99,195
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	$ 102,949	$ 159,436	$ 262,385	$ -
Total deferred outflows	$ 102,949	$ 159,436	$ 262,385	$ -
LIABILITIES				
Accounts payable and accrued liabilities	$ 96,907	$ 290,363	$ 387,270	$ -
Customer deposits	-	312,113	312,113	-
Unearned revenue	594,482	-	594,482	-
Accrued interest payable	-	5,559	5,559	-
Noncurrent liabilities:				
Due within one year:				
Bonds and notes payable	-	150,764	150,764	-
Compensated absences	9,353	14,772	24,125	-
Due in more than one year:				
Bonds and notes payable	-	2,242,584	2,242,584	86,251
Compensated absences	6,235	9,849	16,084	-
Net pension liability	115,616	179,050	294,666	-
Total liabilities	$ 822,593	$ 3,205,054	$ 4,027,647	$ 86,251
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	$ 26,285	$ 40,707	$ 66,992	$ -
Deferred inflows related to leases	282,806	-	282,806	-
Total deferred inflows of resources	$ 309,091	$ 40,707	$ 349,798	$ -
NET POSITION				
Net investment in capital assets	$ 4,425,535	$ 8,653,274	$ 13,078,809	$ 75,921
Restricted for:				
Capital projects	1,088,497	-	1,088,497	-
Debt service	-	308,844	308,844	-
Other purposes	2,575	-	2,575	-
Unrestricted	4,063,572	1,948,814	6,012,386	(62,977)
Total net position	$ 9,580,179	$ 10,910,932	$ 20,491,111	$ 12,944

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

CITY OF MONTICELLO, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit: Downtown Development Authority
Governmental activities:								
General government	$ 1,104,043	$ 290,265	$ 3,000	$ 648,171	$ (162,607)	$ -	$ (162,607)	$ -
Public safety	1,020	-	-	-	(1,020)	-	(1,020)	-
Streets and sanitation	925,815	-	-	-	(925,815)	-	(925,815)	-
Health & Welfare	1,840	-	-	-	(1,840)	-	(1,840)	-
Culture and recreation	114,774	-	-	-	(114,774)	-	(114,774)	-
Interest on long-term debt	239	-	-	-	(239)	-	(239)	-
Total governmental activities	2,147,731	290,265	3,000	648,171	(1,206,295)	-	(1,206,295)	-
Business-type activities:								
Water and sewer	1,540,387	1,327,396	-	-	-	(212,991)	(212,991)	-
Electric system	2,966,383	3,348,013	-	-	-	381,630	381,630	-
Natural gas system	963,368	1,066,836	-	-	-	103,468	103,468	-
Total business-type activities	5,470,138	5,742,245	-	-	-	272,107	272,107	-
Total primary government	$ 7,617,869	$ 6,032,510	$ 3,000	$ 648,171	(1,206,295)	272,107	(934,188)	$ -
Component Unit								
Downtown Development Authority	26,822	592	40,800	-	-	-	-	14,570
Total Component Unit	$ 26,822	$ 592	$ 40,800	$ -	$ -	$ -	$ -	$ 14,570
General revenues:								
Property taxes					324,034	-	324,034	-
Sales taxes					550,787	-	550,787	-
Public service taxes					61,297	-	61,297	-
Insurance premium tax					225,037	-	225,037	-
Other taxes					278,958	-	278,958	-
Investment earnings					90,710	130,565	221,275	-
Miscellaneous revenues					153,558	102,922	256,480	-
Transfers					(66,593)	66,593	-	-
Total general revenues and transfers					1,617,788	300,080	1,917,868	-
Change in net position					411,493	572,187	983,680	14,570
Net position, beginning of year, as previously reported					9,168,686	10,338,745	19,507,431	(26,729)
Prior-period restatement					-	-	-	(25,103)
Net position, beginning of year, as restated					9,168,686	10,338,745	19,507,431	(1,626)
Net position, ending of year					$ 9,580,179	$ 10,910,932	$ 20,491,111	$ 12,944

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

CITY OF MONTICELLO, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	ARPA	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 849,906	$ 458,371	$ 1,251,127	$ -	$ 2,559,404
Investments	1,630,201	-	-	-	1,630,201
Receivables, net	78,190	-	-	-	78,190
Due from other governments, net	53,309	-	96,040	-	149,349
Leases receivable	286,331	-	-	-	286,331
Due from other funds	260,386	-	-	2,575	262,961
Advances to other funds	3,248,397	-	-	-	3,248,397
Prepaid items	20,459	-	-	-	20,459
Total assets	$ 6,427,179	$ 458,371	$ 1,347,167	$ 2,575	$ 8,235,292
LIABILITIES					
Accounts payable and accrued liabilities	$ 95,988	$ -	$ 919	$ -	$ 96,907
Unearned revenue	138,746	455,736	-	-	594,482
Due to other funds	1,791,527	-	260,386	-	2,051,913
Total liabilities	2,026,261	455,736	261,305	-	2,743,302
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	21,812	-	-	-	21,812
Deferred inflows related to leases	282,806	-	-	-	282,806
Total deferred inflows of resources	304,618	-	-	-	304,618
FUND BALANCES					
Nonspendable:					
Prepaid items	20,459	-	-	-	20,459
Advances to other funds	3,248,397	-	-	-	3,248,397
Restricted for:					
Capital projects	-	2,635	1,085,862	-	1,088,497
Parks and recreation	-	-	-	2,572	2,572
Housing and development programs	-	-	-	3	3
Unassigned	827,444	-	-	-	827,444
Total fund balances	4,096,300	2,635	1,085,862	2,575	5,187,372
Total liabilities and fund balances	$ 6,427,179	$ 458,371	$ 1,347,167	$ 2,575	$ 8,235,292

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

CITY OF MONTICELLO, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund balances - total governmental funds		$ 5,187,372
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	8,422,859	
Less: accumulated depreciation	(3,997,324)	4,425,535
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(115,616)	
Deferred outflows related to pensions	102,949	
Deferred inflows related to pensions	(26,285)	(38,952)
Because some property taxes and other revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.		21,812
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:		
Compensated absences	(15,588)	(15,588)
Net position of governmental activities		$ 9,580,179

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

CITY OF MONTICELLO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General	ARPA	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 1,437,901	$ -	$ -	$ 940	$ 1,438,841
Permits and fees	286,663	-	-	-	286,663
Intergovernmental	3,000	248,890	373,380	-	625,270
Charges for services	2,782	-	-	-	2,782
Fines and forfeitures	3,602	-	-	-	3,602
Investment income	82,572	8,138	25,901	-	116,611
Miscellaneous	150,185	-	591	-	150,776
Total revenues	1,966,705	257,028	399,872	940	2,624,545
Expenditures					
Current:					
General government	988,300	10,355	-	-	998,655
Streets and sanitation	820,060	-	-	-	820,060
Culture and recreation	110,816	-	-	636	111,452
Capital outlay	199,700	-	413,857	-	613,557
Debt service:					
Principal retirement	21,980	-	-	-	21,980
Interest and fiscal charges	239	-	-	-	239
Total expenditures	2,141,095	10,355	413,857	636	2,565,943
Excess (deficiency) of revenues over expenditures	(174,390)	246,673	(13,985)	304	58,602
Other financing sources (uses)					
Transfers in	231,304	-	-	-	231,304
Transfers out	(46,753)	(251,144)	-	-	(297,897)
Total other financing sources (uses)	184,551	(251,144)	-	-	(66,593)
Net change in fund balances	10,161	(4,471)	(13,985)	304	(7,991)
Fund balances, beginning of year	4,086,139	7,106	1,099,847	2,271	5,195,363
Fund balances, end of year	$ 4,096,300	$ 2,635	$ 1,085,862	$ 2,575	$ 5,187,372

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

CITY OF MONTICELLO, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds	$	(7,991)
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		613,557
Depreciation expense		(249,515)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		21,980
Revenues reported in governmental funds that provide current financial resources are not reported as revenues in governmental activities		1,272
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.		
Change in net pension liability and deferred inflows/outflows related to pensions		32,833
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in compensated absences liability		(643)
Change in net position of governmental activities	$	411,493

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

CITY OF MONTICELLO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities				
	Water & Sewer	Electric System	Natural Gas System	Non-major Fund Revolving Loan	Total
ASSETS					
Cash and cash equivalents	$ -	$ 570,570	$ -	$ 146,859	$ 717,429
Accounts receivable, net	197,228	479,241	185,664	-	862,133
Notes receivable	-	-	-	85,784	85,784
Prepaid items	12,514	6,205	9,646	-	28,365
Due from other funds	-	1,816,024	49,300	69,591	1,934,915
Restricted current assets:					
Cash and cash equivalents	308,844	147,775	-	-	456,619
Investments	-	2,259,750	-	-	2,259,750
Total current assets	518,586	5,279,565	244,610	302,234	6,344,995
Noncurrent assets:					
Capital assets:					
Land	1,889,263	-	1,000	-	1,890,263
Construction in progress	129,766	714,299	743,674	-	1,587,739
Buildings	179,870	-	-	-	179,870
Improvements	10,313,400	2,211,564	2,684,248	-	15,209,212
Equipment	789,696	764,846	433,268	-	1,987,810
Accumulated depreciation	(5,474,283)	(1,852,550)	(2,481,439)	-	(9,808,272)
Total capital assets, net	7,827,712	1,838,159	1,380,751	-	11,046,622
Total noncurrent assets	7,827,712	1,838,159	1,380,751	-	11,046,622
Total assets	$ 8,346,298	$ 7,117,724	$ 1,625,361	$ 302,234	$ 17,391,617
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	69,412	53,986	36,038	-	159,436
Total deferred outflows of resources	$ 69,412	$ 53,986	$ 36,038	$ -	$ 159,436
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	$ 35,921	$ 238,879	$ 15,563	$ -	$ 290,363
Deposits	65,238	147,775	99,100	-	312,113
Due to other funds	145,963	-	-	-	145,963
Compensated absences	5,610	5,455	3,707	-	14,772
Payable from restricted assets:					
Current maturities on long-term debt	150,764	-	-	-	150,764
Accrued interest payable	5,257	302	-	-	5,559
Total current liabilities	408,753	392,411	118,370	-	919,534
Noncurrent liabilities:					
Bonds and notes payable, net	2,242,584	-	-	-	2,242,584
Advances to other funds	1,898,850	-	1,349,547	-	3,248,397
Compensated absences	3,740	3,637	2,472	-	9,849
Net pension liability	77,951	60,628	40,471	-	179,050
Total noncurrent liabilities	4,223,125	64,265	1,392,490	-	5,679,880
Total liabilities	$ 4,631,878	$ 456,676	$ 1,510,860	$ -	$ 6,599,414
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	$ 17,722	$ 13,784	$ 9,201	$ -	$ 40,707
Total deferred inflows of resources	$ 17,722	$ 13,784	$ 9,201	$ -	$ 40,707
NET POSITION					
Net investment in capital assets	$ 5,434,364	$ 1,838,159	$ 1,380,751	$ -	$ 8,653,274
Restricted for debt service	308,844	-	-	-	308,844
Municipal Competitive Trust Agreement	-	2,259,750	-	-	2,259,750
Unrestricted	(1,977,098)	2,603,341	(1,239,413)	302,234	(310,936)
Total net position	$ 3,766,110	$ 6,701,250	$ 141,338	$ 302,234	$ 10,910,932

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

CITY OF MONTICELLO, GEORGIA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities				
	Water & Sewer	Electric System	Natural Gas System	Non-major Fund Revolving Loan	Total
Operating revenues					
Charges for services	$ 1,327,396	$ 3,348,013	$ 1,066,836	$ -	$ 5,742,245
Other revenues	14,573	78,659	9,690	-	102,922
Total operating revenues	1,341,969	3,426,672	1,076,526	-	5,845,167
Operating expenses					
Personal services	460,116	452,160	284,706	-	1,196,982
Contractual services	52,407	105,838	46,060	-	204,305
Repairs and maintenance	214,157	103,909	26,105	-	344,171
Supplies	289,231	100,955	30,186	-	420,372
Services and charges	156,542	1,964,952	483,793	-	2,605,287
Insurance	28,886	9,340	7,986	-	46,212
Other expenses	39,254	113,930	18,379	-	171,563
Depreciation	244,800	114,952	66,114	-	425,866
Total operating expenses	1,485,393	2,966,036	963,329	-	5,414,758
Operating income (loss)	(143,424)	460,636	113,197	-	430,409
Nonoperating revenues (expenses)					
Interest earnings	16,257	111,174	-	3,134	130,565
Interest expense	(54,994)	(347)	(39)	-	(55,380)
Total nonoperating revenues (expenses)	(38,737)	110,827	(39)	3,134	75,185
Income (loss) before contributions and transfers	(182,161)	571,463	113,158	3,134	505,594
Transfers in	304,036	10,958	3,672	-	318,666
Transfers out	(63,018)	(63,018)	(126,037)	-	(252,073)
Change in net position	58,857	519,403	(9,207)	3,134	572,187
Net position, beginning of year	3,707,253	6,181,847	150,545	299,100	10,338,745
Net position, end of year	$ 3,766,110	$ 6,701,250	$ 141,338	$ 302,234	$ 10,910,932

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

CITY OF MONTICELLO, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities				
	Water & Sewer	Electric System	Natural Gas System	Non-major Fund Revolving Loan	Total
Cash flows from operating activities					
Cash received from customers	$ 1,328,537	$ 3,373,789	$ 1,069,563	$ 5,975	$ 5,777,864
Cash paid to employees	(482,544)	(469,106)	(300,082)	-	(1,251,732)
Cash paid to suppliers	(822,651)	(2,391,563)	(621,300)	-	(3,835,514)
Net cash provided by (used in) operating activities	23,342	513,120	148,181	5,975	690,618
Cash flows from noncapital financing activities					
Transfers to other funds	(63,018)	(63,018)	(126,037)	-	(252,073)
Interfund loans	277,167	(1,083,930)	744,590	-	(62,173)
Net cash provided by (used in) noncapital financing activities	214,149	(1,146,948)	618,553	-	(314,246)
Cash flows from capital and related financing activities					
Transfers from other funds	304,036	10,958	3,672	-	318,666
Acquisition and construction of capital assets	(251,144)	(767,904)	(766,801)	-	(1,785,849)
Principal payments of long-term debt	(378,920)	(32,611)	(3,566)	-	(415,097)
Interest paid	(54,994)	(347)	(39)	-	(55,380)
Net cash provided by (used in) capital and related financing activities	(381,022)	(789,904)	(766,734)	-	(1,937,660)
Cash flows from investing activities					
Interest received	16,257	111,174	-	3,134	130,565
Purchases of investments	-	(109,376)	-	-	(109,376)
Net cash provided by (used in) investing activities	16,257	1,798	-	3,134	21,189
Net change in cash and cash equivalents	(127,274)	(1,421,934)	-	9,109	(1,540,099)
Cash and cash equivalents, beginning of year	436,118	2,140,279	-	137,750	2,714,147
Cash and cash equivalents, end of year	308,844	718,345	-	146,859	1,174,048
Cash and cash equivalents classified as:					
Unrestricted	$ -	$ 570,570	$ -	$ 146,859	$ 717,429
Restricted	308,844	147,775	-	-	456,619
Total cash and cash equivalents	$ 308,844	$ 718,345	$ -	$ 146,859	$ 1,174,048
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (143,424)	$ 460,636	$ 113,197	$ -	430,409
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	244,800	114,952	66,114	-	425,866
Changes in assets and liabilities:					
Accounts receivable	(18,522)	(64,013)	(11,008)	-	(93,543)
Notes receivable	-	-	-	5,975	5,975
Prepaid items	(3,963)	(1,254)	(867)	-	(6,084)
Accounts payable and accrued liabilities	(38,211)	8,615	(7,924)	-	(37,520)
Deposits	5,090	11,130	4,045	-	20,265
Compensated absences	2,315	2,297	(2,565)	-	2,047
Net pension liability	(24,743)	(19,243)	(12,811)	-	(56,797)
Net cash provided by (used in) operating activities	$ 23,342	$ 513,120	$ 148,181	$ 5,975	$ 690,618

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

(1) Summary of Significant Accounting Policies:

The financial statements of the City of Monticello, Georgia (the City), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity—**The City operates under the leadership of the Mayor, Mayor Pro Tem, and City Council consisting of four members and provides or assists in providing the following services: Public Safety, Public Works, Public Health and Welfare, Recreation and Culture, Housing and Development, Water and Sewer, Electric System, Natural Gas System, and general administration and other services.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Management has determined that the Monticello Downtown Development Authority is a component unit of the City.

The Monticello Downtown Development Authority is governed by a board appointed by the City Council and Mayor. The DDA was created for the purpose of developing and promoting a healthy and prosperous downtown within the context of cultural and historical preservation. The DDA is required to submit an operating budget to the City Council for approval each year. The City Council determines a monthly allocation that it pays to the DDA for its operations. The City also pays the salary and some other expenses related to downtown development. The DDA did not issue separate financial statements for the year ended June 30, 2024 and is a discretely presented component unit.

(b) **Government-wide and fund financial statements—**The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

(1) **Summary of Significant Accounting Policies:** (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. 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 and proprietary funds. 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 financial statement presentation**—The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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.

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 City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest 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 City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major governmental funds:

General Fund—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

American Rescue Plan Act (ARPA) Fund—The ARPA Fund is a capital project fund used to account for the receipt and expenditure of ARPA funding to support the City's recovery from the COVID-19 pandemic.

SPLOST Fund – The SPLOST fund is used to account for the funds the City receives from a local 1% sales tax reserved for construction of various capital projects.

The City reports the following as a major proprietary fund:

Water & Sewer Fund—The Water & Sewer Fund accounts for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer system debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Electric System Fund – The Electric System Fund is used to account for the provision of electricity services to the businesses and residents of the City. Activities of the fund include administration, operations and maintenance of the electric system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for electric system debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Natural Gas System Fund – The Natural Gas System Fund is used to account for the provision of natural gas services to the residents of the City. Activities of the fund include administration, operations and maintenance of the gas system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for gas system debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements, though interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, interest revenue, and other miscellaneous revenues.

(1) **Summary of Significant Accounting Policies:** (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating

expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) **Budgets and budgetary accounting**—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The ARPA fund does not have a legally adopted budget. Project-length budgets are adopted for capital projects funds. Budgets for planning and management purposes only are adopted for the Proprietary Funds on a GAAP basis, except that long-term debt borrowings are budgeted as revenues and depreciation expense is not budgeted. Budget amounts are as originally adopted, or as amended by the Mayor and City Council.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the Mayor and City Council, a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and revenues for the General Fund.
2. Public hearings are conducted to obtain taxpayer comments, giving notice thereof at least ten days in advance by publication in the official organ of the City.
3. The budget is then approved by the Mayor and City Council at a regular meeting and becomes the basis for the millage levied by the City.
4. The City Manager has the authority, upon approval by the Mayor and City Council, to transfer funds from one budget line to another. Management may not make any increases in the budget without the prior approval of the Mayor and City Council and an amendment to the budget.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Mayor and City Council.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted or as amended by the City Council. All appropriations lapse at the end of the fiscal year.
8. Proprietary Fund budgets are prepared and utilized as a management tool to assess the operations of the fund.

(e) **Cash and cash equivalents**—The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits that are not restricted, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Investments—**Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). 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."

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(h) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recognized on the consumption method and recorded as prepaid items in both government-wide and fund financial statements.

(i) **Restricted assets—**Certain deposits and investments may be held by the Debt Service Fund and Enterprise Funds in accounts restricted for customer deposits, debt service, capital expenditures, and the Municipal Competitive Trust Agreement with the Municipal Electric Authority of Georgia. These funds are held in cash and/or investments as allowed by State law and the requirements of the related debt agreements. The investments are stated at fair value and the City records all investment revenue earned on these investments in the appropriate fund.

(j) **Capital assets**—Capital assets, which include buildings and building improvements, machinery and equipment, and infrastructure assets (e.g., roads, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 with an initial life of five or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Roads, bridges and culverts acquired prior to July 1, 2004 have not been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Building Improvements	15 – 50 years
Distribution Systems	10 – 50 years
Machinery and Equipment	5 – 10 years
Vehicles	5 – 15 years

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Compensated absences**— It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulated vacation leave is recorded as an expense and liability of the appropriate fund as the benefits accrue to employees. No liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated.

The enterprise funds report 100% of compensated absence liability in both the government-wide and the proprietary fund statements, because it is accrued when incurred. The governmental funds report 100% of the amount due in the government-wide statements because it is accrued when incurred, but only the extent of payments that come due each period upon the occurrence of employee resignations and retirements as of the balance sheet date are recorded as a liability in the governmental fund statements.

(l) **Long-term obligations—**In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

(m) **Deferred outflows/inflows of resources—**In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item that qualifies for reporting in this category. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. These items consist of unavailable revenue, deferred inflows related to lease receipts, and the deferred outflow of pension expense. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds may report unavailable revenues from property taxes or other sources. The deferred inflows related to pension expense represents differences between expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability. These deferred inflows will be recognized as pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

(n) **Fund equity—**In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the City Council through adoption of a resolution.

(1) **Summary of Significant Accounting Policies:** (Continued)

Assigned – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body which the City Council delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For spendable resources, it is the City's policy to use fund balance in the following order: committed; assigned; unassigned.

(o) **Net position—**The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components – net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets consists of capital assets including leased assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any external bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted consists of amounts that have constraints placed on them either externally by third parties (e.g., creditors, grantors, and contributors) or by law through constitutional provisions or enabling legislation.

Unrestricted consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(p) **Leases –** The City is a lessor for noncancellable leases of buildings. The City recognizes a lease receivable and deferred inflow of lease receipts in both the fund level and government-wide financial statements. The City recognizes lease receivables with an initial, individual value of $5,000 or more.

At the commencement of the lease, the City initially measures the lease receivable of the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payment received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The City uses the interest rate as the discount rate. When the interest rate is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the lessee is reasonably certain to exercise.

(1) **Summary of Significant Accounting Policies:** (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and related deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(q) **Property taxes**— Property tax revenues are recognized when levied, to the extent that they result in current receivables at June 30th. Property taxes attach an enforceable lien on property on December 20th. Taxes are levied by October 20th of each year. Jasper County has a split billing of property taxes and were due on September 20, 2023 and December 20, 2023.

(r) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**— Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detail explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

Investment Type	Credit Rating (S&P)	Fair Value	Maturities (in Years) Less Than 1	1-5	Over 5
Certificate of deposit	NR	$ 1,630,201	$ 1,630,201	$ -	$ -
Municipal Competitive Trust					
Short-term Portfolio	AAAm	1,458,505	1,458,505	-	-
Intermediate Portfolio	AAAm	12,110	2,059	8,477	1,574
Intermediate Extended	AAAm	789,135	63,131	410,351	315,653
Total		$ 3,889,951	$ 3,153,896	$ 418,828	$ 317,227

Cash per Statement of Net Position	
Cash	$ 3,276,833
Restricted cash	456,619
Total Cash and Restricted Cash	$ 3,733,452
Investments per Statement of Net Position	
Investments	$ 1,630,201
Restricted investments	2,259,750
Investments as listed above	$ 3,889,951

The City is involved in an external investment pool, the Municipal Competitive Trust, which is administered by the Municipal Electric Authority of Georgia ("MEAG"), a governmental entity. Due to the anticipated deregulation of the retail sale of electricity in the state of Georgia, the City entered into a Municipal Competitive Trust agreement with the Municipal Electric Authority of Georgia ("MEAG"). The City purchases for resale, electric power from MEAG. The City is a beneficiary of this trust, and the City and MEAG deposit monies in the trust from time to time. All monies are held by the trustee, NC Shareholder Services, for the City's benefit and are invested in investment securities. The pool is not registered with the SEC as an investment company. The City has recorded the assets in the Electric System Enterprise Fund. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia. The fair value of the City's position in the pool changes with market conditions, and is calculated based on the fair market value of net assets held in the pool at the close of each business day. The pool determines participant's shares sold and redeemed based on the market value per share at the close of business day of the sale or redemption.

Interest rate risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The City 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.

(3) **Deposits and Investments:** (Continued)

Credit Risk. State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The City has no investment policy that would further limit its investment choices. At June 30, 2024, the ratings of its investments are shown above.

Concentration of credit risk. The City places no limit on the amount it may invest in any one issuer. External investment pools are excluded from the concentration of credit risk requirement; therefore, the Municipal Competitive Trust is exempt from this requirement.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk.

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City may exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions, if the funds are otherwise adequately secured. As of June 30, 2024, all of the City's deposits were insured or was adequately collateralized with securities held by the pledging financial institution's name.

As of June 30, 2024, the City's bank balance of $3,967,928 was adequately collateralized with securities held by the pledging financial institution's name.

Depositories may secure deposits of public funds using the dedicated method or the pooled

method as described below:

> Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.
>
> Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The City utilized both methods to secure deposits of public funds.

(4) **Hotel/Motel Lodging Tax**

During the year ended June 30, 2024, the City collected $940 in Hotel and Motel taxes of which $636 was required to be spent to promote tourism, conventions, and trade shows. For the year ended June 30, 2024, at least 40% of true receipts were expended for these purposes under OCGA-48-13-51. The City complied with the requirements of this law.

(5) **Interfund Activity:**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through with the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds. For the year ended June 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Transfer In	Transfer Out
Governmental Activities:		
General Fund	$ 231,304	$ 46,753
ARPA Fund	-	251,144
Total Governmental Activities	231,304	297,897
Business-type Activities:		
Water & Sewer Fund	304,036	63,018
Electric Fund	10,958	63,018
Natural Gas Fund	3,672	126,037
Total Business-type Activities	318,666	252,073
Totals – All Funds	$ 549,970	$ 549,970

For the year ended June 30, 2024, individual fund due from and due to other funds for the primary government were comprised of the following:

	Due from Other Fund	Due to Other Fund
Governmental Activities:		
General Fund	$ 260,386	$ (1,791,527)
SPLOST Fund	-	(260,386)
CDBG Grant Fund	3	-
Hotel/Motel Tax Fund	2,572	-
Total Governmental Activities	262,961	(2,051,913)
Business-Type Activities:		
Water & Sewer Fund	-	(145,963)
Electric Fund	1,816,024	-
Natural Gas Fund	49,300	-
Revolving Loan Fund	69,591	-
Total Business-Type Activities	1,934,915	(145,963)
Totals – All Funds	$ 2,197,876	$ (2,197,876)

(5) **Interfund Activity:** (Continued)

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, (4) short-term loans, and (5) to fund capital projects.

At June 30, 2024, individual fund advances to and from other funds for the primary government were comprised of the following:

	Advance To	Advance From
Governmental Activities		
General Fund:		
Water & Sewer Fund	$ 1,898,850	$ -
Natural Gas Fund	1,349,547	-
Total Governmental Activities	3,248,397	-
Business-type Activities		
Water & Sewer Fund:		
General Fund	-	1,898,850
Natural Gas Fund:		
General Fund	-	1,349,547
Total Business-type Activities	-	3,248,397
Totals – All Funds	$ 3,248,397	$ 3,248,397

(6) Capital Assets:

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

Governmental activities:	**Balance 06/30/23**	**Increases**	**Decreases**	**Balance 06/30/24**
Capital assets not being depreciated:				
Land	$ 12,747	$ -	$ -	$ 12,747
Construction in progress	-	6,200	-	6,200
Total assets not being depreciated	12,747	6,200	-	18,947
Capital assets being depreciated and amortized:				
Buildings and improvements	6,744,802	427,657	-	7,172,459
Equipment	464,738	-	-	464,738
Vehicles	587,015	179,700	-	766,715
Total assets being depreciated and amortized	7,796,555	607,357	-	8,403,912
Less accumulated depreciation and amortization for:				
Buildings and improvements	(2,989,578)	(171,441)	-	(3,161,019)
Equipment	(388,895)	(12,999)	-	(401,894)
Vehicles	(369,336)	(65,075)	-	(434,411)
Less: accumulated depreciation and amortization	(3,747,809)	(249,515)	-	(3,997,324)
Total capital assets being depreciated and amortized, net	4,048,746	357,842	-	4,406,588
Governmental activities capital assets, net	$ 4,061,493	$ 364,042	$ -	$ 4,425,535

Business-type activities:	**Balance 06/30/23**	**Increases**	**Decreases**	**Balance 06/30/24**
Capital assets not being depreciated:				
Land	$ 1,890,263	$ -	$ -	$ 1,890,263
Construction in progress	59,021	1,528,718	-	1,587,739
Total assets not being depreciated	1,949,284	1,528,718	-	3,478,002
Capital assets being depreciated and amortized:				
Buildings and improvements	179,870	-	-	179,870
Equipment	1,951,825	35,985	-	1,987,810
Distribution Systems	14,988,066	221,146	-	15,209,212
Total assets being depreciated and amortized	17,119,761	257,131	-	17,376,892
Less accumulated depreciation and amortization for:				
Buildings and improvements	(152,882)	(1,964)	-	(154,846)
Equipment	(1,607,898)	(112,053)	-	(1,719,951)
Distribution Systems	(7,621,626)	(311,849)	-	(7,933,475)
Less: accumulated depreciation and amortization	(9,382,406)	(425,866)	-	(9,808,272)
Total capital assets being depreciated and amortized, net	7,737,355	(168,735)	-	7,568,620
Business-type activities capital assets, net	$ 9,686,639	$ 1,359,983	$ -	$ 11,046,622

(6) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General Government	$ 136,942
Public Safety	1,020
Public Works	105,755
Culture & Recreation	3,958
Public Health and Welfare	1,840
Total depreciation expense - governmental activities	$ 249,515
Business-type activities:	
Water & Sewer	$ 244,800
Electric	114,952
Natural Gas	66,114
Total depreciation expense - business-type activities	$ 425,866

Discretely Presented Component Unit

Activity for the Downtown Development Authority of the year ended June 30, 2024, was as follows:

Component Unit	Balance 06/30/23	Increases	Decreases	Balance 06/30/24
Capital assets being depreciated and amortized:				
Buildings and improvements	178,000	-	-	178,000
Total assets being depreciated and amortized	178,000	-	-	178,000
Less accumulated depreciation and amortization for:				
Buildings and improvements	(95,337)	(6,742)	-	(102,079)
Less: accumulated depreciation and amortization	(95,337)	(6,742)	-	(102,079)
Total capital assets being depreciated and amortized, net	82,663	(6,742)	-	75,921
Component Unit, net	$ 82,663	$ (6,742)	$ -	$ 75,921

(7) **Long-Term Liabilities:**

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	$ 21,980	$ -	$ (21,980)	$ -	$ -
Compensated absences	14,945	28,539	(27,896)	15,588	9,353
Total long-term liabilities	$ 36,925	$ 28,539	$ (49,876)	$ 15,588	$ 9,353

(7) **Long-Term Liabilities:** (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	$ 215,000	$ -	$ (215,000)	$ -	$ -
Notes payable	2,541,293	-	(147,945)	2,393,348	150,764
Financed purchases	52,152	-	(52,152)	-	-
Compensated absences	22,574	40,196	(38,149)	24,621	14,772
Total long-term liabilities	$ 2,831,019	$ 40,196	$ (453,246)	$ 2,417,969	$ 165,536

General obligation bonds, financed purchases, and compensated absences are generally liquidated by the General Fund. The revenue bonds, financed purchases, and notes payable for business-type activities are liquidated by the Electric System, Natural Gas System, and Water & Sewer enterprise funds. Compensated absences for business-type activities are liquidated by each of the respective enterprise funds.

Long-term debt in the City's business-type activities at June 30, 2024, were comprised of the following obligations:

Notes Payable

GEFA Note Payable: Issued in the amount of $3,336,000 dated December 1, 2017. Due in monthly installments of $16,703, with interest rate at 1.89%, and final maturity dated December 1, 2038. The note payable was used to finance the costs of planning and design of six groundwater wells, and payments will be made by the Water & Sewer Fund.

The annual debt service requirements to amortize this debt as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 150,764	$ 43,934	$ 194,698
2026	153,639	41,059	194,698
2027	156,568	38,130	194,698
2028	159,553	35,145	194,698
2029	162,595	32,103	194,698
2030-2034	860,671	112,819	973,490
2035-2039	749,558	29,284	778,842
Total	$ 2,393,348	$ 332,474	$ 2,725,822

(8) **Lease Receivable**

On July 9, 2019, the City entered into a one-year lease agreement with the Department of Human Services, Division of Family and Children Services (DFCS) for the lease of building space. There are eight additional one-year renewal options included with this lease agreement. Based on this agreement, the City is receiving monthly payments of $6,027 through June 2028.

(8) **Lease Receivable** (Continued)

The City is reporting lease receivable of $286,331 at June 30, 2024. For 2024, the City reported lease revenue of $72,335 and interest revenue of $1,976 related to lease payments received. The lease is summarized as follows:

Lease	Lease Receivable	Deferred Inflows	Lease Revenue	Lease Interest Revenue
DFCS	$ 286,331	$ 282,806	$ 72,335	$ 1,623
Total	$ 286,331	$ 282,806	$ 72,335	$ 1,623

Future minimum lease payments at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 71,047	$ 1,269	$ 72,316
2026	71,403	913	72,316
2027	71,761	555	72,316
2028	72,120	195	72,315
Total	$ 286,331	$ 2,932	$ 286,330

(9) **Retirement Plans**

Defined Benefit Pension Plan

Plan Description

The City's defined benefit pension plan, City of Monticello Retirement Plan (CRP), provides retirement and death benefits to plan members and beneficiaries. CRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system

administered by the Georgia Municipal Association (GMA). GMEBS acts as a common investment and administrative agent for participating cities in Georgia. The Georgia Constitution enables the governing authority of the City to establish, and amend from time-to-time, the contribution rates for the City and its plan participants. The Plan issues a stand-along report. This report may be obtained from: Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

The GMA, in its role as Plan Sponsor, has the sole authority to amend the provisions of the GMEBS Plan. The City has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan.

(9) **Retirement Plans**: (Continued)

Participant counts as of January 1, 2024 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits	41
Terminated plan participants entitled to but not yet receiving benefits	45
Active employees participating in the Plan	30
Total number of Plan participants	116
Covered compensation for active participants	$1,099,274
Contributions as a percentage of covered-employee payroll	9.78%

Funding Policy

The City is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. City employees are not required to contribute to the Plan. The annual City contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the January 1, 2024 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.25%
Salary Increases (including inflation)	3.00% - 8.50%
Net investment rate of return	7.375%

Mortality rates for healthy retirees and beneficiaries were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Mortality rates for disabled participants were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Mortality rates for active participants, terminated vested participants, and deferred beneficiaries were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class.

(9) **Retirement Plans**: (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.0%	6.91%
International equity	20.0%	7.21%
Fixed income – Global	5.0%	1.67%
Fixed income - Domestic	20.0%	1.61%
Real estate	10.0%	3.61%
Total	100.0%	

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability (Asset)

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2023	$ 3,821,123	$ 3,191,199	$ 629,924
Changes for the year:			
Service cost	45,873	-	45,873
Interest	276,493	-	276,493
Difference between expected and actual experience	(133,983)	-	(133,983)
Contribution-employer	-	107,455	(107,455)
Net investment income	-	431,113	(431,113)
Benefit payments	(235,881)	(235,881)	-
Administrative expense	-	(14,927)	14,927
Net changes	(47,498)	287,760	(335,258)
Balance at June 30, 2024	$ 3,773,625	$ 3,478,959	$ 294,666

(9) **Retirement Plans**: (Continued)

The following presents the City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension (asset) liability	$ 663,411	$ 294,666	$ (21,807)

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

For the year ended June 30, 2024, the City recognized pension expense of $17,824. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (66,992)
Net difference between projected and actual earnings on pension plan investments	154,848	-
Contributions subsequent to the measurement date	107,357	-
Total	$ 262,385	$ (66,992)

City contributions subsequent to the measurement date of $90,909 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

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

Year Ending June 30,	
2025	$ (48,598)
2026	32,357
2027	144,307
2028	(40,210)
Thereafter	-
Total	$ 87,856

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the City and are not reported in these financial statements.

(10) Commitments and Contingencies:

The City has potential liability under MEAG and MGAG Contracts as follows:

Electrical System

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia ("MEAG") pursuant to which the City purchases electric power and energy for resale to its customers. MEAG was created by the State of Georgia for the purpose of owning and operating electric generation and transmission facilities to supply bulk electric power to political subdivisions of Georgia which owned and operated electric distribution systems as of March 18, 1975.

Under the terms of its Power Sales Contracts with MEAG, the City is obligated to take from MEAG, and MEAG is obligated to provide, all electric power and energy required by the City in excess of the amount received by the City as an allotment from federally owned projects through the Southeastern Power Administration ("SEP A"). An allotment of SEP A power has been assigned by the City to MEAG and is transmitted to the City by MEAG through Georgia's Integrated Transmission System for a separate charge. Under its Power Sales Contracts with MEAG, the City has the right to receive additional power as needed from the Integrated Transmission System.

The price paid by the City to MEAG under its Power Sales Contracts is intended to cover the City's share of all the costs of MEAG, including debt service on MEAG's long-term debt. The amounts required to be paid to MEAG under the Power Sales Contracts are payable first from revenues of the City's electrical system. To the extent the required payments are not made from revenues of the City's electric system or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments. Payments by the City are required to be made by the City whether or not MEAG's facilities or any part thereof are operating or operable or the output therefrom is interrupted, interfered with, curtailed or terminated in whole or in part. In addition, the City may be obligated to purchase additional power, subject to contractual limitations, in the event other MEAG participants default.

Payments to MEAG are made monthly on net obligations based upon long-term contracts and power supply needs. The total payments under these contracts amounted to $1,944,579 at June 30, 2024.

In 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created three funds in which the City participates. The following is a brief description of each fund:

Flexible Operating Trust Account – This account is available to the City for withdrawal without restriction.

Credit Supporting Operation Account and Reserve Funded Debt Account – These accounts are restricted to loans or offsets to billings from MEAG for power usage if certain criteria are met related to power costs from MEAG compared to market rates. The total balance in these two accounts at June 30, 2024 was $2,199,971.

(10) **Commitments and Contingencies:** (Continued)

Natural Gas System

The City has entered into a gas supply contract and certain supplemental gas supply contracts with the Municipal Gas Authority of Georgia ("MGAG") under which the City buys natural gas for resale to its customers. Under such contracts with MGAG, the City is obligated to take from MGAG, and MGAG is obligated to provide all of the City's natural gas requirements. The price paid by the City to MGAG under its contracts is intended to cover the City's share of all the costs of MGAG, including scheduled debt service of MGAG. Such payments are required to be made by the City whether or not the MGAG's facilities or natural gas properties or any part thereof are operating or operable or the output therefrom is interrupted, interfered with, curtailed or terminated in whole or in part, or whether or not any of its natural gas suppliers or transporters defaults in its obligations under its gas supply or transportation contracts with MGAG. To the extent the required payments are not made from the revenues of the system or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments.

Payments to MGAG are made monthly on net obligations based upon long-term contracts. The total payments under these contracts amounted to $461,271 at June 30, 2024.

(11) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments The Georgia Municipal Association (GMA) administers both risk pools.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the members governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

The City also provides health insurance coverage for its employees through the Georgia Employees Benefit System (GEMBS).

(12) Related Party Organizations and Transactions

The Housing Authority of the City of Monticello, Georgia is considered a related organization of the City based upon the criteria in GASB Statement 39. The Housing Authority is a legally separate entity having a board comprised of members majority appointed by the City Council and Mayor. The City is not financially accountable for the Authority. The City has no significant influence over the management, budget, or policies of the Housing Authority. The Authority reports independently. The City received $14,151 payment in lieu of taxes from the Housing Authority for the year ended June 30, 2024.

(13) Northeast Georgia Regional Commission

The City, in conjunction with cities and counties in the ten (10) county Piedmont, Georgia area, is a member of the Northeast Georgia Regional Commission (NEGRC). Membership in a regional commission is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the regional commissions. Each county and municipality in the state is required by law to pay minimum annual dues to the regional commission. The City paid annual dues in the amount of $5,076 to the NEGRC for the year ended June 30, 2024. The NEGRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the nonpublic Board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NEGRC may be obtained from: Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605

(14) Prior Period Restatement:

The City recorded a restatement to beginning fund balance/net position in the Downtown Development Authority related to misstatements recorded in prior years regarding the balances for the City's accrued interest payable.

The impact of the above restatements on the respective fund balance/net position amounts as of June 30, 2023, is as follows:

	Downtown Development Authority
Net position/Fund balance (deficit) - 6/30/2023 originally reported	$ (26,729)
Accrued interest correction	25,103
Net position/Fund balance - 6/30/2023, as restated	$ (1,626)

(15) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the County's financial statements:

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. The objective of GASB 105 is to improve financial reporting requirements for subsequent events by clarifying the subsequent events time frame, distinguishing between recognized and nonrecognized subsequent events, and enhancing consistency and transparency in related disclosures. The provisions of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONTICELLO, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
CITY OF MONTICELLO RETIREMENT PLAN
JUNE 30, 2024
(UNAUDITED)

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net pension liability (asset)	$ 294,666	$ 629,924	$ (193,241)	$ 127,264	$ 126,684	$ (104,421)	$ (41,679)	$ 179,927	$ 124,654	$ 195,223
Covered payroll	$ 1,099,274	$ 896,236	$ 1,040,484	$ 1,018,288	$ 749,740	$ 765,107	$ 638,599	$ 697,864	$ 741,394	$ 738,908
Net pension liability (asset) as a percentage of covered payroll	26.81%	70.29%	-18.57%	12.50%	16.90%	-13.65%	-6.53%	25.78%	16.81%	26.42%
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.19%	83.51%	105.09%	96.33%	96.16%	103.34%	101.38%	93.92%	89.98%	92.89%

CITY OF MONTICELLO, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
CITY OF MONTICELLO RETIREMENT PLAN
JUNE 30, 2024
(UNAUDITED)

For the Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 107,455	$ 93,067	$ 68,579	$ 74,813	$ 65,066	$ 48,918	$ 70,200	$ 81,772	$ 124,654	$ 195,223
Contributions in relation to the contractually required contribution	107,455	93,067	68,579	80,235	59,644	54,150	64,350	81,772	124,654	195,223
Contribution deficiency (excess)	$ -	$ -	$ -	$ (5,422)	$ 5,422	$ (5,232)	$ 5,850	$ -	$ -	$ -
City's covered payroll	$ 1,099,274	$ 896,236	$ 1,040,484	$ 1,018,288	$ 749,740	$ 765,107	$ 638,599	$ 697,864	$ 741,394	$ 738,908
Contributions as a percentage of covered payroll	9.78%	10.38%	6.59%	7.88%	7.96%	7.08%	10.08%	11.72%	16.81%	26.42%

CITY OF MONTICELLO, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
CITY OF MONTICELLO RETIREMENT PLAN
JUNE 30, 2024
(UNAUDITED)

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2024. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2024 reported in that schedule:

Valuation Date	January 1, 2024
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 16 years
Asset Valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net investment rate of return	7.375%
Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A

CITY OF MONTICELLO, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 1,449,840	$ 1,449,840	$ 1,437,901	$ (11,939)
Permits and fees	289,857	289,857	286,663	(3,194)
Intergovernmental	3,000	3,000	3,000	-
Charges for services	560	560	2,782	2,222
Fines and forfeitures	-	-	3,602	3,602
Investment income	14,513	14,513	82,572	68,059
Miscellaneous	88,926	88,926	150,185	61,259
Total revenues	1,846,696	1,846,696	1,966,705	120,009
Expenditures				
Current:				
General government	1,200,540	1,200,540	988,300	212,240
Streets and sanitation	883,949	883,949	820,060	63,889
Culture and recreation	122,237	122,237	110,816	11,421
Capital outlay	227,000	227,000	199,700	27,300
Debt service:				
Principal retirement	21,984	21,984	21,980	4
Interest and fiscal charges	45,638	45,638	239	45,399
Total expenditures	2,501,348	2,501,348	2,141,095	360,253
Excess (deficiency) of revenues over expenditures	(654,652)	(654,652)	(174,390)	480,262
Other financing sources (uses)				
Transfers in	579,777	579,777	231,304	(348,473)
Transfers out	-	-	(46,753)	(46,753)
Total other financing sources (uses)	579,777	579,777	184,551	(395,226)
Net change in fund balances	(74,875)	(74,875)	10,161	85,036
Fund balances, beginning of year	4,086,139	4,086,139	4,086,139	-
Fund balances, end of year	$ 4,011,264	$ 4,011,264	$ 4,096,300	$ 85,036

SUPPLEMENTARY INFORMATION

CITY OF MONTICELLO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Hotel/Motel Tax	CDBG Grant	Total Nonmajor Governmental Funds
ASSETS			
Due from other funds	$ 2,572	$ 3	2,575
Total assets	$ 2,572	$ 3	$ 2,575
FUND BALANCES			
Restricted for:			
Parks and recreation	2,572	-	2,572
Housing and development programs	-	3	3
Total fund balances	2,572	3	2,575
Total liabilities and fund balances	$ 2,572	$ 3	$ 2,575

CITY OF MONTICELLO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Hotel/Motel Tax	CDBG Grant	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 940	$ -	$ 940
Total revenues	940	-	940
Expenditures			
Current:			
Culture and recreation	636	-	636
Total expenditures	636	-	636
Excess (deficiency) of revenues over expenditures	304	-	304
Net change in fund balances	304	-	304
Fund balances, beginning of year	2,268	3	2,271
Fund balances, end of year	$ 2,572	$ 3	$ 2,575

CITY OF MONTICELLO, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2024

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior years	Current year	Total
2012 SPLOST					
Sidewalk Repairs and Improvements	$ 295,700	$ 295,700	$ 332,340	$ -	$ 332,340
Hospital	100,000	100,000	100,000	-	100,000
Water Supply and Treatment	357,300	357,300	106,088	-	106,088
Sewer System Improvements	197,000	197,000	133,265	-	133,265
Subtotal	$ 950,000	$ 950,000	$ 671,693	$ -	$ 671,693
2018 SPLOST					
Water and Sewer Improvements	$ 500,000	$ 500,000	$ -	$ -	$ -
Roads, Sidewalks, and Parking	350,000	350,000	328,768	413,857	742,625
Utility Facility	100,000	100,000	25,335	-	25,335
Total	$ 950,000	$ 950,000	$ 354,103	$ 413,857	$ 767,960

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

To the Honorable Mayor and City Council,
City of Monticello, Georgia:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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, each major fund, and the aggregate remaining fund information of the City of Monticello, Georgia (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 4, 2026.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Reports

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 4, 2026