MONROE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

MONROE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monroe County, Georgia (the "County")**, as of and for the year ended December 31, 2011, which collectively comprise Monroe County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Health Department, which statements reflect total assets of $259,385 as of June 30, 2011, and total revenues of $565,456 for the year ended June 30, 2011. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Monroe County Health Department in the component unit column is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as of January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2012, on our consideration of Monroe County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 11) and the Schedule of Funding Progress on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Monroe County, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the 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.

Mauldin & Jenkins, LLC

Macon, Georgia
June 13, 2012

As management of Monroe County, Georgia, we offer readers of Monroe County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The assets of Monroe County exceeded its liabilities at December 31, 2011, by $111,084,791, (net assets). Of this amount, $653,455 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors which is a decrease in unrestricted net assets from the prior year of $12,276,338. This decrease is due to a change in the classification of the County's restricted and unrestricted assets.

- The biggest changes will be found in the fund balances for Monroe County. At December 31, 2011, the County's total fund balances as summarized for all governmental fund types on page 14 of the financial statements were $25,848,138, an increase of $3,068, or .01%, from the 2010 fiscal year. Of this amount, $7,869,617 remains in the various funds as unassigned. $17,632,867 is restricted for various purposes, $281,653 is nonspendable, $874 is committed for public safety and $63,127 has been assigned for culture and recreation.

- At December 31, 2010, the County's General Fund reported an unreserved fund balance of $7,685,748. At December 31, 2011 the County's General Fund reported an unassigned fund balance of $8,561,696 which is an increase of $875,948, or 11.40%, from the unreserved fund balance from our prior fiscal year.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to Monroe County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Monroe County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The business-type activities of the County include water and sewer, landfill, and building inspections.

The government-wide financial statements include not only Monroe County itself (known as the primary government), but also the Monroe County Department of Public Health and the Monroe County Development Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Monroe County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Monroe County maintains governmental funds to account for the following activities: General; Special Revenue (Library, Forfeited Funds, Law Library, Jail Fines, Drug Education, E-911, C.A.R.E. Cottage, Federal Forfeited Funds, EMS Grant, EMA Grant and Sheriff's Safe Driving); and Capital Projects (Water Capital, Roads, Fire, Recreation, Public Safety Facilities, Patrol Vehicles, Emergency Services, Animal Shelter, Administration Building, Hospital, 2008 SPLOST and Public Facilities Authority). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Facilities Authority and Water Capital, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Monroe County adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements. This statement can be found on pages 17 and 18.

Proprietary funds. Monroe County uses enterprise funds, also known as the business-type functions, to account for the Monroe County Water System, Landfill and Building Inspection activities. The proprietary funds are reflected in the business-type activities of the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Monroe County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information concerning Monroe County's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on page 55 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 56 – 68 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Monroe County, assets exceed liabilities by $111,084,791 at the close of the 2011 fiscal year, a decrease of $605,755, or .54%. Of the $111,084,791, $89,578,030 resulted from Governmental Activities and $21,506,761 resulted from the Business-type Activities.

By far the largest portion of the County's net assets (83.47%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Monroe County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 30,136,624	$ 32,545,579	$ 2,462,935	$ 2,427,363	$ 32,599,559	$ 34,972,942
Capital assets	74,836,789	78,983,386	32,921,373	29,148,943	107,758,162	108,132,329
Total assets	104,973,413	111,528,965	35,384,308	31,576,306	140,357,721	143,105,271
Other liabilities	1,680,592	2,284,901	415,478	359,661	2,096,070	2,644,562
Long-term liabilities outstanding	13,714,791	14,934,678	13,462,069	13,835,485	27,176,860	28,770,163
Total liabilities	15,395,383	17,219,579	13,877,547	14,195,146	29,272,930	31,414,725
Net assets:						
Invested in capital assets, net of related debt	72,082,762	75,930,467	20,641,373	16,378,943	92,724,135	92,309,410
Restricted	16,684,231	5,501,951	1,022,970	949,392	17,707,201	6,451,343
Unrestricted	811,037	12,876,968	(157,582)	52,825	653,455	12,929,793
Total net assets	$ 89,578,030	$ 94,309,386	$ 21,506,761	$ 17,381,160	$ 111,084,791	$ 111,690,546

An additional portion of Monroe County's total net assets (15.94%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets ($653,455) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Monroe County is able to report positive balances in all three categories of net assets for the total government.

Governmental activities. Governmental activities decreased the County's net assets by $4,731,356. Key elements of this decrease are as follows:

Monroe County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	$ 4,288,920	$ 4,249,275	$ 1,619,720	$ 1,559,593	$ 5,908,640	$ 5,808,868
Operating grants and contributions	333,447	97,147	-	-	333,447	97,147
Capital grants and contributions	35,532	52,384	-	-	35,532	52,384
General revenues:						
Property taxes	12,985,427	13,135,303	-	-	12,985,427	13,135,303
Sales taxes	7,879,725	8,728,148	-	-	7,879,725	8,728,148
Other taxes	330,568	297,873	939,468	832,091	1,270,036	1,129,964
Unrestricted Investment earnings	86,325	80,260	157,121	(14,773)	243,446	65,487
Gain on sale	1,772	6,225	-	-	1,772	6,225
Total revenues	25,941,716	26,646,615	2,716,309	2,376,911	28,658,025	29,023,526
Expenses:						
General government	4,415,459	4,511,144	-	-	4,415,459	4,511,144
Judicial	1,402,512	1,418,074	-	-	1,402,512	1,418,074
Public safety	10,572,545	11,812,193	-	-	10,572,545	11,812,193
Public works	4,927,147	7,961,902	-	-	4,927,147	7,961,902
Health and welfare	1,468,583	831,967	-	-	1,468,583	831,967
Culture and recreation	1,031,515	1,085,954	-	-	1,031,515	1,085,954
Housing and development	206,840	274,534	-	-	206,840	274,534
Interest and fiscal charges	408,493	373,806	-	-	408,493	373,806
Water	-	-	2,871,700	2,864,102	2,871,700	2,864,102
Landfill	-	-	1,782,525	1,590,021	1,782,525	1,590,021
Building inspection	-	-	176,461	171,246	176,461	171,246
Total expenses	24,433,094	28,269,574	4,830,686	4,625,369	29,263,780	32,894,943
Change in net assets before transfers	1,508,622	(1,622,959)	(2,114,377)	(2,248,458)	(605,755)	(3,871,417)
Transfers	(6,239,978)	(1,673,078)	6,239,978	1,673,078	-	-
Change in net assets	(4,731,356)	(3,296,037)	4,125,601	(575,380)	(605,755)	(3,871,417)
Net assets, beginning	94,309,386	97,605,423	17,381,160	17,956,540	111,690,546	115,561,963
Net assets, ending	$ 89,578,030	$ 94,309,386	$ 21,506,761	$ 17,381,160	$ 111,084,791	$ 111,690,546

Financial Analysis of the Government's Funds

As noted earlier, Monroe County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Monroe County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2011 fiscal year, the County's governmental funds reported combined ending fund balances of $25,848,138, an increase of $3,068 in comparison with the prior year. Approximately 30.44% of the combined fund balance ($7,869,617) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance ($17,978,521) is not available for new spending because it has already been committed for inventory ($267,212) and prepaid items ($14,441); restricted for the following activities: judicial ($431,294), public safety ($118,129), capital projects ($14,788,166) and debt service ($2,295,278). A portion has been committed for public safety ($874) and a portion has been assigned to be spent for culture and recreation ($63,127).

The General Fund is the chief operating fund of Monroe County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $8,561,696 while total fund balance reached $8,836,934. The **unreserved** fund balance of the General Fund changed to **unassigned** fund balance and increased $875,948 over the unreserved balance from the prior fiscal year. The **reserved** fund balance changed to **Nonspendable** ($275,238)**, Restricted, Committed and Assigned**. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45.63% of total General Fund expenditures, while total fund balance represents 47.10% of that same amount.

Proprietary funds. Monroe County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund types are enterprise funds.

At the end of the current fiscal year, unrestricted net assets of the Water Fund were $1,132,581, an increase of $38,750 or 3.54%. Unrestricted net assets of the Landfill Fund were ($1,271,971), a decrease of $248,007 or (24.22%). Unrestricted net assets of the Building Inspection Fund were ($18,191), a decrease of $1,150 or (6.74%). Total combined unrestricted assets of proprietary funds resulted in ($157,582), a decrease of $210,407. The Water Fund reflects restricted net assets of $1,022,970 for debt service. For the current year-end, the proprietary funds indicate total net assets of $21,506,761. This is an increase in total net assets for the proprietary funds in the amount of $4,125,601.

Monroe County
Enterprise Net Operating Income (Loss),
Nonoperating Revenues (Expenses) and Transfers

	2011	2010
Net operating loss:		
Water Fund	$ (971,749)	$ (1,067,680)
Landfill Fund	(1,509,573)	(1,265,003)
Building Inspection Fund	(116,641)	(105,063)
Total net operating loss	(2,597,963)	(2,437,746)
Nonoperating revenues	483,586	189,288
Loss before transfers and contributions	(2,114,377)	(2,248,458)
Capital contributions	3,933,978	-
Net transfers in	2,306,000	1,673,078
Changes in net assets	$ 4,125,601	$ (575,380)

General Fund Budgetary Highlights

Differences between the expenditures original budget and the final amended budget were $79,584 and can be summarized as follows:

- Decrease in general government of $1,185,071 – due to the shifting of contingent funding during the year to cover unexpected needs of other departments for retirement cost, insurance, repairs, fuel and employee salaries and the creation of a capital contingency account for all capital purchases to better control cash flow.
- Increase in judicial of $62,168 – due to hiring a temporary assistant district attorney to help with cases in Monroe County.
- Increase in public safety of $783,057 – due to increased cost of fuel, employee overtime, group health self insurance costs, retirement, workers comp and capital purchases from capital contingency.
- Increase in public works of $332,496 – due to equipment purchase from capital contingency, increases in the cost of materials and fuel, increased cost in health insurance and retirement.
- Decrease in health and welfare of $7,323 – due to the dissolving of Neighborhood Service Center.
- Increase in culture and recreation of $48,007 – due to increase in cost of supplies, increased cost in health insurance and retirement, increase in temporary employees and adding concessions.
- Increase in housing and development of $83,184 – due to increased cost in retirement, workers comp and insurance, becoming fiscal agent for Monroe County Family Connection, purchase and renovations to Hubbard Dormitory for future extension service home.

Capital Asset and Debt Administration

Capital assets. Monroe County's investment in capital assets for its governmental activities as of December 31, 2011 was $74,836,789 (net of accumulated depreciation), a decrease of $4,146,597. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. As required by GASB Statement No. 34, the County has retroactively recorded the infrastructure of its governmental activities.

Monroe County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 614,976	$ 614,976	$ 339,697	$ 339,697	$ 954,673	$ 954,673
Construction in progress	407,241	2,927,657	12,901	13,559	420,142	2,941,216
Land (landfill)	-	-	512,167	151,115	512,167	151,115
Buildings	9,325,432	8,759,982	699,620	715,923	10,025,052	9,475,905
Building improvements	1,356,959	1,389,017	-	-	1,356,959	1,389,017
Improvements	364,491	387,607	496,640	551,266	861,131	938,873
Infrastructure	60,449,717	62,429,548	29,444,330	26,102,742	89,894,047	88,532,290
Intangibles	63,769	71,198	-	-	63,769	71,198
Machinery and equipment	2,254,204	2,403,401	1,416,018	1,274,641	3,670,222	3,678,042
Total	$ 74,836,789	$ 78,983,386	$ 32,921,373	$ 29,148,943	$ 107,758,162	$ 108,132,329

Major projects in 2011 included the following:

- Completion of Animal Shelter
- Heavy equipment in public works
- New roads paved
- New equipment for fire and rescue
- Additional patrol cars
- Completion of several water projects
- Completion of a new county clubhouse and concession stand at recreation complex
- Construction in progress for a new county administration building

Additional information on the County's capital assets can be found in Note 6 on pages 39 - 41 of this report.

Long-term debt. At the end of the current fiscal year, Monroe County had total outstanding revenue bond debt of $12,280,000 which is secured solely by specified revenue services. The County issued Revenue Refunding and Improvement Bonds for Water and Sewerage Projects, Series 2003A, in the aggregate amount of $13,245,000. The proceeds were used to defease the remaining outstanding Series 1998 Water and Sewerage Bonds. These bonds are included in the Water System Fund. The outstanding balance of revenue bonds as of December 31, 2011 is $12,280,000.

The County also had general obligation bonds of $15,745,000 through an intergovernmental agreement with the Monroe County Public Facilities Authority, a blended component unit. The bonded debt is to be paid by the County to the Authority from revenues received from a one percent special local option sales tax or SPLOST. The outstanding balance of general obligation bonds as of December 31, 2011 is $11,195,000.

Other amounts included in long-term debt as of December 31, 2011 are as follows:

- Capital Leases used to finance new equipment, primarily for various emergency services equipment.
- Compensated Absences reflect the vacation and compensatory pay employees have earned but not yet taken.
- Claims and judgements payable representing prior year sales tax revenues payable back to the State of Georgia Department of Revenue.
- Landfill Postclosure Costs represent amounts accrued by the County for future costs to meet state and federal laws and regulations requiring the County to place a final cover on the Strickland Loop Road Landfill when the landfill stops accepting waste.

Monroe County's Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 375,241	$ -	$ (149,523)	$ 225,718	$ 156,198
General obligation bonds	13,900,000	-	(2,705,000)	11,195,000	3,300,000
Plus unamortized premium	119,874	-	(27,915)	91,959	-
Compensated absences	539,563	327,384	(316,525)	550,422	220,169
Claims and judgements payable	-	948,636	-	948,636	948,636
Net OPEB obligation	539,563	215,845	(23,265)	732,143	-
Governmental activities long-term liabilities	$ 15,474,241	$ 1,491,865	$ (3,222,228)	$ 13,743,878	$ 4,625,003
Business-type activities:					
Revenue bonds	$ 12,770,000	$ -	$ (490,000)	$ 12,280,000	$ 505,000
Landfill closure costs	984,565	124,307	-	1,108,872	-
Compensated absences	80,920	67,792	(75,515)	73,197	58,281
Business-type activities long-term liabilities	$ 13,835,485	$ 192,099	$ (565,515)	$ 13,462,069	$ 563,281

Additional information regarding the County's long-term debt can be found in Note 7 on pages 42 – 46 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Middle Georgia is 9.1% which is in line with the State average of 9%. (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: www.dol.state.ga.us/).
- Monthly LOST collections have increased over the past several years and have maintained this higher collection rate and are expected to remain near the same during 2012.
- The 2008 SPLOST is expected to generate approximately $5,600,000 in tax revenues.
- The County's Net Maintenance and Operations (M&O) millage rate in the unincorporated areas remained at 9.431 with no increase to cover other revenue shortages.
- There was a decrease in the 2012 budget of $51,580, or .03% without an increase in the millage.

Requests for Information

This financial report is designed to provide a general overview of Monroe County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Monroe County, P.O. Box 520, Forsyth, Georgia 31029.

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 10,357,702	$ 148,274	$ 10,505,976	$ 4,223,187	$ 215,345
Investments	272,868	-	272,868	-	-
Taxes receivable	6,091,043	-	6,091,043	-	-
Interest receivable	231	-	231	-	-
Accounts receivable, net of allowances	699,556	121,675	821,231	330	43,216
Due from other governments	828,035	-	828,035	225	-
Internal balances	180,467	(180,467)	-	-	-
Inventories	267,212	43,752	310,964	-	-
Prepaid items	14,441	2,235	16,676	750	-
Restricted assets					
Cash	11,053,928	280,071	11,333,999	-	-
Investments	-	1,412,458	1,412,458	-	-
Deferred charges, unamortized balance	147,046	634,937	781,983	-	-
Other noncurrent assets	224,095	-	224,095	-	-
Capital assets, non-depreciable	1,022,217	352,598	1,374,815	1,942,151	-
Capital assets, depreciable, net of accumulated depreciation	73,814,572	32,568,775	106,383,347	-	824
Total assets	104,973,413	35,384,308	140,357,721	6,166,643	259,385
LIABILITIES					
Accounts payable	836,904	201,054	1,037,958	477	1,203
Accrued liabilities	492,445	49,865	542,310	-	-
Unearned revenues	350	-	350	1,856	-
Due to other governments	288,815	-	288,815	-	-
Accrued interest	62,078	93,584	155,662	-	-
Customer deposits payable	-	70,975	70,975	-	-
Liabilities payable from restricted assets	-	505,000	505,000	-	-
Capital leases due within one year	156,198	-	156,198	-	-
Capital leases due in more than one year	69,520	-	69,520	-	-
Compensated absences due within one year	220,169	58,281	278,450	-	7,377
Compensated absences due in more than one year	330,253	14,916	345,169	-	32,545
Bonds payable due within one year	3,300,000	-	3,300,000	-	-
Bonds payable due in more than one year	7,986,959	11,775,000	19,761,959	-	-
Claims and judgements payable	948,636	-	948,636	-	-
Landfill closure and postclosure care costs due in more than one year	-	1,108,872	1,108,872	-	-
Net OPEB obligation due in more than one year	703,056	-	703,056	-	-
Total liabilities	15,395,383	13,877,547	29,272,930	2,333	41,125
NET ASSETS					
Invested in capital assets, net of related debt	72,082,762	20,641,373	92,724,135	1,942,151	824
Restricted for:					
Judicial	431,294	-	431,294	-	-
Public safety	118,129	-	118,129	-	-
Capital projects	13,839,530	-	13,839,530	-	-
Debt service	2,295,278	1,022,970	3,318,248	-	-
Unrestricted	811,037	(157,582)	653,455	4,222,159	217,436
Total net assets	$ 89,578,030	$ 21,506,761	$ 111,084,791	$ 6,164,310	$ 218,260

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-type Activities	Net (Expenses) Revenues and Changes in Net Assets: Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 4,415,459	$ 648,024	$ 581	$ 1,300	$ (3,765,554)	$ -	$ (3,765,554)	$ -	$ -
Judicial	1,402,512	1,748,594	-	-	346,082	-	346,082	-	-
Public safety	10,572,545	1,741,476	154,001	683	(8,676,385)	-	(8,676,385)	-	-
Public works	4,927,147	36,926	88,293	32,259	(4,769,669)	-	(4,769,669)	-	-
Health and welfare	1,468,583	12,480	74,668	983	(1,380,452)	-	(1,380,452)	-	-
Culture and recreation	1,031,515	101,420	2,915	307	(926,873)	-	(926,873)	-	-
Housing and development	206,840	-	12,989	-	(193,851)	-	(193,851)	-	-
Interest on long-term debt	408,493	-	-	-	(408,493)	-	(408,493)	-	-
Total governmental activities	24,433,094	4,288,920	333,447	35,532	(19,775,195)	-	(19,775,195)	-	-
Business-type activities:									
Water	2,871,700	1,286,948	-	-	-	(1,584,752)	(1,584,752)	-	-
Landfill	1,782,525	272,952	-	-	-	(1,509,573)	(1,509,573)	-	-
Building inspections	176,461	59,820	-	-	-	(116,641)	(116,641)	-	-
Total business-type activities	4,830,686	1,619,720	-	-	-	(3,210,966)	(3,210,966)	-	-
Total primary government	$ 29,263,780	$ 5,908,640	$ 333,447	$ 35,532	(19,775,195)	(3,210,966)	(22,986,161)	-	-
Component units:									
Development Authority	$ 110,916	$ 54,110	$ -	$ -	-	-	-	(56,806)	-
Health Department	563,725	248,129	314,860	-	-	-	-	-	(736)
Total component units	$ 674,641	$ 302,239	$ 314,860	$ -	-	-	-	(56,806)	(736)
General revenues:									
Property taxes					12,985,427	-	12,985,427	-	-
Sales taxes					7,879,725	-	7,879,725	-	-
Insurance premium tax					-	939,468	939,468	-	-
Intangible tax					139,736	-	139,736	-	-
Alcoholic beverages tax					108,144	-	108,144	-	-
Other taxes					82,688	-	82,688	-	-
Unrestricted investment earnings					86,325	157,121	243,446	29,214	2,467
Gain on sale of capital assets					1,772	-	1,772	-	-
Transfers					(6,239,978)	6,239,978	-	-	-
Total general revenues and transfers					15,043,839	7,336,567	22,380,406	29,214	2,467
Change in net assets					(4,731,356)	4,125,601	(605,755)	(27,592)	1,731
Net assets, beginning of year					94,309,386	17,381,160	111,690,546	6,191,902	216,529
Net assets, end of year					$ 89,578,030	$ 21,506,761	$ 111,084,791	$ 6,164,310	$ 218,260

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

MONROE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General	Public Facilities Authority	Water Capital	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 4,796,579	$ -	$ 294,210	$ 5,266,913	$ 10,357,702
Investments	186,831	-	-	86,037	272,868
Taxes receivable (net)	6,091,043	-	-	-	6,091,043
Accounts receivable	625,463	-	-	74,093	699,556
Interest receivable	-	-	-	231	231
Due from other governments	336,343	-	92,168	399,524	828,035
Due from other funds	338,424	1,260,814	205,405	1,469,159	3,273,802
Inventories	267,212	-	-	-	267,212
Prepaid items	8,026	2,500	-	3,915	14,441
Restricted cash	-	11,053,928	-	-	11,053,928
Total assets	$ 12,649,921	$ 12,317,242	$ 591,783	$ 7,299,872	$ 32,858,818
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 746,561	$ -	$ 23,048	$ 67,295	$ 836,904
Accrued liabilities	453,310	-	-	39,135	492,445
Deferred revenues	2,299,181	-	-	-	2,299,181
Due to other governments	-	207,931	-	80,884	288,815
Due to other funds	313,935	1,333,129	1,260,814	185,457	3,093,335
Total liabilities	3,812,987	1,541,060	1,283,862	372,771	7,010,680
FUND BALANCES (DEFICIT)					
Fund balances:					
Nonspendable:					
Inventories	267,212	-	-	-	267,212
Prepaid items	8,026	2,500	-	3,915	14,441
Restricted for:					
Judicial	-	-	-	431,294	431,294
Public safety	-	-	-	118,129	118,129
Capital projects	-	8,478,404	-	6,309,762	14,788,166
Debt service	-	2,295,278	-	-	2,295,278
Committed for:					
Public safety	-	-	-	874	874
Assigned for:					
Culture and recreation	-	-	-	63,127	63,127
Unassigned	8,561,696		(692,079)	-	7,869,617
Total fund balances (deficit)	8,836,934	10,776,182	(692,079)	6,927,101	25,848,138
Total liabilities and fund balances (deficit)	$ 12,649,921	$ 12,317,242	$ 591,783	$ 7,299,872	

Amounts reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	74,836,789
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,298,831
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.	(12,926,767)
Net pension assets are not due and payable in the current period and, therefore, are not reported in the funds.	224,095
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(703,056)
Net assets of governmental activities	$ 89,578,030

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

MONROE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	General	Public Facilities Authority	Water Capital	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 15,310,971	$ -	$ -	$ -	$ 15,310,971
Sales taxes	3,607,783	-	991,080	4,229,498	8,828,361
Other taxes	330,568	-	-	-	330,568
Licenses and permits	35,619	-	-	-	35,619
Intergovernmental	225,571	-	-	95,970	321,541
Charges for services	2,188,557	-	-	440,154	2,628,711
Fines and forfeitures	1,095,000	-	-	375,122	1,470,122
Interest income	8,143	76,727	152	6,835	91,857
Contributions	2,000	-	30,000	4,435	36,435
Miscellaneous	154,880	-	-	18,407	173,287
Total revenues	22,959,092	76,727	1,021,232	5,170,421	29,227,472
Expenditures					
Current:					
General government	3,520,648	-	-	-	3,520,648
Judicial	1,378,567	-	-	33,543	1,412,110
Public safety	8,889,580	-	-	1,472,730	10,362,310
Public works	3,094,615	-	-	-	3,094,615
Health and welfare	503,913	-	-	898,836	1,402,749
Culture and recreation	956,165	-	-	14,267	970,432
Housing and development	252,860	-	-	-	252,860
Intergovernmental	-	-	-	869,748	869,748
Capital outlay	-	51,563	664,739	1,088,353	1,804,655
Debt service:					
Principal	149,523	2,705,000	-	-	2,854,523
Interest and fiscal charges	16,868	362,286	-	-	379,154
Total expenditures	18,762,739	3,118,849	664,739	4,377,477	26,923,804
Excess (deficiency) of revenues over (under) expenditures	4,196,353	(3,042,122)	356,493	792,944	2,303,668
Other financing sources (uses):					
Proceeds from sale of capital assets	5,400	-	-	-	5,400
Transfers in	-	333,674	301,760	540,136	1,175,570
Transfers out	(3,217,756)	-	(96,517)	(167,297)	(3,481,570)
Total other financing sources (uses)	(3,212,356)	333,674	205,243	372,839	(2,300,600)
Net change in fund balances	983,997	(2,708,448)	561,736	1,165,783	3,068
Fund balance (deficit), beginning of year	7,852,937	13,484,630	(1,253,815)	5,761,318	25,845,070
Fund balance (deficit), end of year	$ 8,836,934	$ 10,776,182	$ (692,079)	$ 6,927,101	$ 25,848,138

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

MONROE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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

Net change in fund balances - total governmental funds	$	3,068
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(208,991)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(3,937,606)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(2,338,892)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,857,065
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(106,000)
	$	(4,731,356)

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

MONROE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 13,415,895	$ 13,432,528	$ 15,310,971	$ 1,878,443
Sales taxes	3,800,000	3,800,000	3,607,783	(192,217)
Other taxes	343,058	343,058	330,568	(12,490)
Licenses and permits	52,000	52,000	35,619	(16,381)
Intergovernmental	28,581	189,207	225,571	36,364
Charges for services	2,337,159	2,338,669	2,188,557	(150,112)
Fines and forfeitures	1,416,800	1,416,800	1,095,000	(321,800)
Investment income	20,000	20,000	8,143	(11,857)
Contributions	-	-	2,000	2,000
Miscellaneous	76,400	129,216	154,880	25,664
Total revenues	21,489,893	21,721,478	22,959,092	1,237,614
Expenditures:				
Current:				
General government:				
County commissioners	1,170,531	1,398,738	1,295,145	103,593
Board of registrars	96,564	58,840	57,291	1,549
Elections	28,700	32,123	23,932	8,191
Financial administration	143,763	148,670	148,346	324
Purchasing	102,371	114,132	111,977	2,155
Fuel depot	8,810	9,101	7,213	1,888
Tax commissioner	335,939	388,407	388,407	-
Tax assessor	398,204	407,939	402,294	5,645
Board of equalization	20,431	6,751	5,197	1,554
Public buildings	494,458	605,924	605,923	1
Justice center	174,300	189,544	189,544	-
General insurance	1,856,548	285,379	285,379	-
Total general government	4,830,619	3,645,548	3,520,648	124,900
Judicial:				
Superior court	439,574	475,396	475,180	216
Clerk of superior court	349,282	368,498	364,935	3,563
Magistrate court	211,311	217,403	211,677	5,726
Probate court	322,278	323,316	317,952	5,364
Juvenile court	9,372	9,372	8,823	549
Total judicial	1,331,817	1,393,985	1,378,567	15,418
Public safety:				
Sheriff	3,276,313	3,718,187	3,718,175	12
Jail	2,379,261	2,551,661	2,551,661	-
School resource officer	45,715	51,947	50,940	1,007
Emergency services	2,254,637	2,419,943	2,419,943	-
Coroner	22,076	26,568	26,568	-
Animal control	101,404	94,016	90,961	3,055
Emergency management	34,765	34,906	31,332	3,574
Total public safety	8,114,171	8,897,228	8,889,580	7,648
Public works:				
Public roads	2,525,787	2,825,450	2,807,673	17,777
Maintenance and shop	257,032	289,865	286,942	2,923
Total public works	2,782,819	3,115,315	3,094,615	20,700

(Continued)

MONROE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Healthcare	$ 437,699	$ 432,715	$ 432,715	$ -
Tick control	18,111	19,772	16,406	3,366
Welfare	25,792	25,792	25,792	-
Community services	33,000	29,000	29,000	-
Total health and welfare	514,602	507,279	503,913	3,366
Culture and recreation:				
Recreation	615,627	652,422	652,422	-
Recreation commissions	27,865	36,177	36,177	-
Library	270,423	273,323	267,566	5,757
Total culture and recreation	913,915	961,922	956,165	5,757
Housing and development:				
Soil conservation	37,309	43,317	41,960	1,357
Extension service	91,283	116,852	114,474	2,378
Georgia forestry commission	18,952	18,952	18,952	-
Planning and zoning	4,555	5,094	3,406	1,688
Economic development	23,000	23,000	23,000	-
Family connection	-	51,068	51,068	-
Total housing and development	175,099	258,283	252,860	5,423
Debt service:				
Principal	149,523	149,523	149,523	-
Interest and fiscal charges	53,802	16,868	16,868	-
Total debt service	203,325	166,391	166,391	-
Total expenditures	18,866,367	18,945,951	18,762,739	183,212
Excess of revenues over expenditures	2,623,526	2,775,527	4,196,353	1,420,826
Other financing sources (uses):				
Transfers out	(2,623,526)	(3,217,756)	(3,217,756)	-
Proceeds from sale of assets	-	-	5,400	5,400
Total other financing sources (uses)	(2,623,526)	(3,217,756)	(3,212,356)	5,400
Net change in fund balance	-	(442,229)	983,997	1,426,226
Fund balance, beginning of year	7,852,937	7,852,937	7,852,937	-
Fund balance, end of year	$ 7,852,937	$ 7,410,708	$ 8,836,934	$ 1,426,226

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

ASSETS	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CURRENT ASSETS				
Cash	$ 118,577	$ 23,888	$ 5,809	$ 148,274
Accounts receivable, net of allowances	89,934	31,741	-	121,675
Inventory	43,752	-	-	43,752
Prepaid items	2,168	67	-	2,235
Restricted assets:				
Cash	280,071	-	-	280,071
Investments	1,412,458	-	-	1,412,458
Total current assets	1,946,960	55,696	5,809	2,008,465
NONCURRENT ASSETS				
Deferred charges, unamortized balance	634,937	-	-	634,937
Capital assets:				
Non-depreciable	156,832	195,766	-	352,598
Depreciable, net of accumulated depreciation	30,696,353	1,864,519	7,903	32,568,775
Total capital assets	30,853,185	2,060,285	7,903	32,921,373
Total noncurrent assets	31,488,122	2,060,285	7,903	33,556,310
Total assets	$ 33,435,082	$ 2,115,981	$ 13,712	$ 35,564,775
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 101,947	$ 98,808	$ 299	$ 201,054
Accrued liabilities	7,351	36,268	6,246	49,865
Compensated absences payable, current	3,203	46,320	8,758	58,281
Due to other funds	148,970	26,577	4,920	180,467
Payable from restricted assets:				
Accrued interest payable	93,584	-	-	93,584
Revenue bonds payable, current portion	505,000	-	-	505,000
Customer deposits payable	70,975	-	-	70,975
Total current liabilities	931,030	207,973	20,223	1,159,226
LONG-TERM LIABILITIES				
Revenue bonds payable, net of current portion	11,775,000	-	-	11,775,000
Compensated absences	316	10,823	3,777	14,916
Accrued closure / post-closure costs	-	1,108,872	-	1,108,872
Total long-term liabilities	11,775,316	1,119,695	3,777	12,898,788
Total liabilities	12,706,346	1,327,668	24,000	14,058,014
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	18,573,185	2,060,285	7,903	20,641,373
Restricted for debt service	1,022,970	-	-	1,022,970
Unrestricted	1,132,581	(1,271,972)	(18,191)	(157,582)
Total net assets	$ 20,728,736	$ 788,313	$ (10,288)	$ 21,506,761

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

MONROE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Operating revenues:				
Charges for services:				
Water charges	$ 1,217,573	$ -	$ -	$ 1,217,573
Collection and disposal fees	-	226,198	-	226,198
Building licenses and permits	-	-	59,820	59,820
Service charges	56,312	-	-	56,312
Miscellaneous	13,063	46,754	-	59,817
Total operating revenues	1,286,948	272,952	59,820	1,619,720
Operating expenses:				
Personal services	178,930	894,924	147,607	1,221,461
Purchased/contracted services	190,094	334,506	8,732	533,332
Supplies and materials	83,722	197,266	10,647	291,635
Utilities and purchased water	1,175,826	-	-	1,175,826
Depreciation	630,125	355,829	9,475	995,429
Total operating expenses	2,258,697	1,782,525	176,461	4,217,683
Operating loss	(971,749)	(1,509,573)	(116,641)	(2,597,963)
Nonoperating revenues (expenses):				
Insurance premium tax	-	939,468	-	939,468
Investment income	156,955	150	16	157,121
Interest expense	(613,003)	-	-	(613,003)
Total nonoperating revenues (expenses)	(456,048)	939,618	16	483,586
Loss before transfers and contributions	(1,427,797)	(569,955)	(116,625)	(2,114,377)
Transfers in	1,400,000	800,000	106,000	2,306,000
Capital contributions	3,933,978	-	-	3,933,978
Change in net assets	3,906,181	230,045	(10,625)	4,125,601
Net assets, beginning of year	16,822,555	558,268	337	17,381,160
Net assets (deficit), end of year	$ 20,728,736	$ 788,313	$ (10,288)	$ 21,506,761

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

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,275,868	$ 293,462	$ 59,820	$ 1,629,150
Payments to suppliers and service providers	(1,450,065)	(489,831)	(24,883)	(1,964,779)
Payments to employees	(197,416)	(893,518)	(145,917)	(1,236,851)
Payments for interfund services received	72,480	-	-	72,480
Net cash used in operating activities	(299,133)	(1,089,887)	(110,980)	(1,500,000)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Insurance premium taxes	-	939,468	-	939,468
Transfers in	1,400,000	800,000	106,000	2,306,000
Net cash provided by noncapital financing activities	1,400,000	1,739,468	106,000	3,245,468
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	-	(833,881)	-	(833,881)
Principal paid on bonds	(490,000)	-	-	(490,000)
Interest paid	(578,039)	-	-	(578,039)
Net cash used in capital and related financing activities	(1,068,039)	(833,881)	-	(1,901,920)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(85,012)	-	-	(85,012)
Interest on investments	156,955	150	16	157,121
Net cash provided by investing activities	71,943	150	16	72,109
Net increase (decrease) in cash and cash equivalents	104,771	(184,150)	(4,964)	(84,343)
Cash and cash equivalents:				
Beginning of year	293,877	208,038	10,773	512,688
End of year	$ 398,648	$ 23,888	$ 5,809	$ 428,345
Classified as:				
Cash and cash equivalents	$ 118,577	$ 23,888	$ 5,809	$ 148,274
Restricted assets, cash and cash equivalents	280,071	-	-	280,071
	$ 398,648	$ 23,888	$ 5,809	$ 428,345

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (971,749)	$ (1,509,573)	$ (116,641)	$ (2,597,963)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	630,125	355,829	9,475	995,429
(Increase) decrease in:				
Accounts receivable	(17,130)	20,510	-	3,380
Inventory	14,497	-	-	14,497
Prepaid items	(2,168)	(67)	-	(2,235)
Due from other funds	234	-	-	234
Increase (decrease) in:				
Accounts payable	(12,752)	72,915	27	60,190
Accrued liabilities	(10,521)	2,995	(141)	(7,667)
Compensated absences	(7,965)	(1,589)	1,831	(7,723)
Due to other funds	72,246	(155,214)	(5,531)	(88,499)
Accrued closure/post-closure costs	-	124,307	-	124,307
Customer deposits payable	6,050	-	-	6,050
Net cash used in operating activities	$ (299,133)	$ (1,089,887)	$ (110,980)	$ (1,500,000)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets transferred from other funds	$ 3,933,978	$ -	$ -	$ 3,933,978
Total noncash investing, capital and financing activities	$ 3,933,978	$ -	$ -	$ 3,933,978

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

MONROE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Private Purpose Trust Fund	
	Veterans' Memorial	Agency Funds
ASSETS		
Cash	$ 4,470	$ 1,113,897
Taxes receivable	-	10,529,679
Due from others	-	5,120
Total assets	$ 4,470	$ 11,648,696
LIABILITIES		
Due to others	$ 130	$ 1,119,017
Uncollected taxes	-	10,529,679
Total liabilities	$ 130	$ 11,648,696
NET ASSETS		
Held in trust for veterans' memorial	$ 4,340	

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

MONROE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Private Purpose Trust Fund
	Veterans' Memorial
ADDITIONS	
Contributions	$ 20,250
Interest income	17
Total additions	20,267
DEDUCTIONS	
Veterans' memorial	23,568
Total deductions	23,568
Change in net assets	(3,301)
Net assets, beginning of the year	7,641
Net assets, end of the year	$ 4,340

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

Monroe County was established under the provisions of an act of the General Assembly of Georgia on May 15, 1821. The County operates under a County Commissioner form of government (five commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

Monroe County Health Department

The Monroe County Health Department (the "Health Department") has a governing board consisting of seven members. Five of the members are either County officials or members appointed by the County. The two remaining members are appointed by the City of Forsyth. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's statements have been prepared separately and can be obtained by writing to the Monroe County Health Department, 106 Martin Luther King Drive, Forsyth, Georgia 31029.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Development Authority of Monroe County, Georgia

The governing board of the Development Authority of Monroe County, Georgia (the "Development Authority") consists of seven members appointed by the Monroe County Board of Commissioners. The Development Authority is responsible for promoting industrial and commercial development within Monroe County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County does provide financial support to the Development Authority and is obligated to provide funding to repay the Development Authority's bonded debt. There are no separately issued financial statements available for the Development Authority.

Monroe County Public Facilities Authority (Blended Component Unit.)

The Monroe County Public Facilities Authority (the "Public Facilities Authority") is governed by the members of the County's Board of Commissioners. Although it is legally separate from the County, the Public Facilities Authority is reported as if it were part of the primary government because its sole purpose is to finance and purchase the County's land and public buildings through debt arrangements. Because capital lease arrangements between a primary government and its blended component unit are not to be reported as capital leases in the financial reporting entity's financial statements, the debt and assets of the Public Facilities Authority are reported as a form of the County's debt and assets. All debt service activity of the Public Facilities Authority will be reported as debt service activity of the County. There are no separately issued financial statements available for the Public Facilities Authority.

Monroe County Law Library (Blended Component Unit.)

The Monroe County Law Library, an entity separate from the County, is governed by a Board of Trustees. For financial reporting purposes, the Law Library is reported as if it were part of the County's operations, because it functions primarily for the courts of the County. The Law Library does not issue separate financial statements. All property purchased with funds expended by the Law Library becomes the property of Monroe County.

B. Government-wide and Fund Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

The ***Public Facilities Authority*** is a blended component unit. It accounts for the finance and purchase of County land and public buildings.

The ***Water Capital Fund*** accounts for the construction of water lines and sewerage lines within the County from resources provided by the 2008 special County one percent sales and use tax.

The County reports the following major proprietary funds:

The ***Water Fund*** accounts for the provision of water services to the residents of the County.

The ***Landfill Fund*** accounts for the costs of providing solid waste management services to residents of the County through the operation of the Monroe County Landfill, sanitation services and collection centers.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

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

The ***private purpose trust fund*** is used to account for resources legally held in trust for use by private organizations or other governments. All resources of the fund, including any interest on invested resources, may be used to support the activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash, Cash Equivalents, and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, Cash Equivalents, and Investments (Continued)

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of State Treasurer. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines a participant's shares sold and redeemed based on $1.00 per share.

E. Interfund Receivables and Payables

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

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Items

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

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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

Asset Category	Years
Buildings	25-50
Land Improvements	15-30
Land (landfill)	4-6
Infrastructure	50-60
Intangibles	10
Machinery and Equipment	5-20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

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

K. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued is reported as other financing sources.

L. Fund Equity

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the Finance Director to assign fund balances.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $12,926,767 difference are as follows:

Accrued interest	$	(62,078)
Capital leases payable		(225,718)
Compensated absences		(550,422)
Claims and judgements payable		(948,636)
Bonds payable		(11,195,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)		147,046
Plus: Issuance premium (to be amortized over life of debt)		(91,959)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(12,926,767)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $208,991 difference are as follows:

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

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 (Continued)

Capital outlay	$ 2,485,394
Depreciation expense	(2,694,385)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$ (208,991)

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets." The details of this $3,937,606 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	$ (3,628)
Transfers of capital assets to other funds decrease net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(3,933,978)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$ (3,937,606)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $1,857,065 difference are as follows:

Principal repayments:	
Bonds payable	$ 2,705,000
Capital leases	149,523
Claims and judgements payable	(948,636)
Amortization of premium	27,915
Amortization of deferred charges for issuance costs	(76,737)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$ 1,857,065

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

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 (Continued)

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $106,000 difference are as follows:

Change in:		
Compensated absences	$	(10,859)
Accrued interest		19,483
Net pension obligation		77,956
Net OPEB obligation		(192,580)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(106,000)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The annual budget document is the financial plan for the operation of Monroe County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). An annual operating budget is prepared for all governmental funds except capital project funds. Capital Projects Funds use project-length budgets.

Department heads submit to the County Clerk a proposed operating budget for the fiscal year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the County Clerk for study. Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally adopted by the Board of Commissioners.

The legal level of control for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. The supplementary budgetary appropriations made were not material. All unexpended appropriations provided in the annual budget lapse at year-end.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of December 31, 2011, the County's investments in the Georgia Fund 1 were rated AAAm by Standard & Poor's and the investments in the Federal National Mortgage Association Pool Discount Note, the Federal National Mortgage Association Discount Note, and the Citigroup Inc. Corporate Bond were rated AAA by Standard & Poor's.

At December 31, 2011, the County had the following investments:

Investment	Maturities	Fair Value
Federal National Mortgage Association Pool Discount Note	February 1, 2012	$ 83,990
Federal National Mortgage Association Discount Note	May 2, 2012	1,095,923
Citigroup Inc. Corporate Bond	April 30, 2012	83,554
Georgia Fund 1	60 day weighted-average	335,822
Certificates of Deposit	13.22 months weighted-average	86,037
		$ 1,685,326

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2011, all of the deposits of the County and the component units were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables at December 31, 2011, consist of the following:

	General Fund	Water Fund	Landfill Fund	Other Governmental Funds	Total
Receivables:					
Taxes	$ 6,489,846	$ -	$ -	$ -	$ 6,489,846
Accounts	1,546,823	164,381	49,320	74,093	1,834,617
Interest	-	-	-	231	231
Gross receivables	8,036,669	164,381	49,320	74,324	8,324,694
Less allowance	(1,320,163)	(74,447)	(17,579)	-	(1,412,189)
Net receivables	$ 6,716,506	$ 89,934	$ 31,741	$ 74,324	$ 6,912,505

Property taxes were levied on October 7, 2011. Bills are payable on or before December 20, 2011, after which the applicable property is subject to lien and penalties and interest are assessed. The County bills and collects its own property taxes. Property taxes levied for 2011 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2011 and collected by February 28, 2012 are recognized as revenues in the year ended December 31, 2011. Net receivables estimated to be collected subsequent to February 28, 2012 are deferred as of December 31, 2011 and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Property taxes attached as an enforceable lien on property as of December 20, 2011.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 614,976	$ -	$ -	$ -	$ 614,976
Construction in progress	2,927,657	2,154,178	-	(4,674,594)	407,241
Total	3,542,633	2,154,178	-	(4,674,594)	1,022,217
Capital assets, being depreciated:					
Buildings	11,417,962	59,315	-	740,616	12,217,893
Building improvements	1,404,802	-	-	-	1,404,802
Land improvements	2,082,216	-	-	-	2,082,216
Infrastructure	99,885,180	17,464	-	-	99,902,644
Intangibles	74,292	-	-	-	74,292
Machinery & equipment	11,344,091	254,437	(61,874)	-	11,536,654
Total	126,208,543	331,216	(61,874)	740,616	127,218,501
Less accumulated depreciation for:					
Buildings	2,657,980	234,481	-	-	2,892,461
Building improvements	15,785	32,058	-	-	47,843
Land improvements	1,694,609	23,116	-	-	1,717,725
Infrastructure	37,455,632	1,997,295	-	-	39,452,927
Intangibles	3,094	7,429	-	-	10,523
Machinery & equipment	8,940,690	400,006	(58,246)	-	9,282,450
Total	50,767,790	2,694,385	(58,246)	-	53,403,929
Total capital assets, being depreciated, net	75,440,753	(2,363,169)	(3,628)	740,616	73,814,572
Governmental activities capital assets, net	$ 78,983,386	$ (208,991)	$ (3,628)	$ (3,933,978)	$ 74,836,789

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 339,697	$ -	$ -	$ -	$ 339,697
Construction in progress	13,559	-	-	(658)	12,901
Total	353,256	-	-	(658)	352,598
Capital assets, being depreciated:					
Land (landfill)	3,332,422	550,097	-	-	3,882,519
Buildings	765,295	-	-	-	765,295
Improvements	1,092,514	-	-	-	1,092,514
Infrastructure	30,108,402	-	-	3,934,636	34,043,038
Machinery & equipment	2,656,255	283,784	-	-	2,940,039
Total	37,954,888	833,881	-	3,934,636	42,723,405
Less accumulated depreciation for:					
Land (landfill)	3,181,307	189,045	-	-	3,370,352
Buildings	49,372	16,303	-	-	65,675
Improvements	541,248	54,626	-	-	595,874
Infrastructure	4,005,660	593,048	-	-	4,598,708
Machinery & equipment	1,381,614	142,407	-	-	1,524,021
Total	9,159,201	995,429	-	-	10,154,630
Total capital assets, being depreciated, net	28,795,687	(161,548)	-	3,934,636	32,568,775
Business-type activities capital assets, net	$ 29,148,943	$ (161,548)	$ -	$ 3,933,978	$ 32,921,373

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 84,113
Judicial	6,428
Public safety	230,804
Public works	2,294,942
Health and welfare	14,271
Culture and recreation	60,027
Housing and development	3,800
Total depreciation expense - governmental activities	$ 2,694,385
Business-type activities:	
Water Fund	$ 630,125
Landfill	355,829
Business Inspection	9,475
Total depreciation expense - business-type activities	$ 995,429

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,705,567	$ 196,750	$ -	$ 9,315	$ 1,911,632
Construction in progress	9,315	30,519	-	(9,315)	30,519
Total	1,714,882	227,269	-	-	1,942,151
Development Authority capital assets, net	$ 1,714,882	$ 227,269	$ -	$ -	$ 1,942,151

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 13,900,000	$ -	$ (2,705,000)	$ 11,195,000	$ 3,300,000
Plus unamortized premium	119,874	-	(27,915)	91,959	-
General obligation bonds, net	14,019,874	-	(2,732,915)	11,286,959	3,300,000
Capital leases	375,241	-	(149,523)	225,718	156,198
Compensated absences	539,563	327,384	(316,525)	550,422	220,169
Claims and judgements	-	948,636	-	948,636	948,636
Net OPEB obligation	510,476	215,845	(23,265)	703,056	-
Governmental activities Long-term liabilities	$ 15,445,154	$ 1,491,865	$ (3,222,228)	$ 13,714,791	$ 4,625,003
Business-type activities:					
Revenue bonds	$ 12,770,000	$ -	$ (490,000)	$ 12,280,000	$ 505,000
Landfill closure and postclosure costs	984,565	124,307	-	1,108,872	-
Compensated absences	80,920	67,792	(75,515)	73,197	58,281
Business-type activities Long-term liabilities	$ 13,835,485	$ 192,099	$ (565,515)	$ 13,462,069	$ 563,281

For governmental activities, compensated absences and claims and judgements are generally liquidated by the General Fund.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. The cost of assets under capital leases as of December 31, 2011 is $1,200,422.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Capital Leases. (Continued) The County's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal Year Ending December 31,	
2012	$ 166,109
2013	36,743
2014	36,743
Total minimum lease payments	239,595
Less amount representing interest	(13,877)
Present value of future minimum lease payments	$ 225,718

General Obligation Bonds. During the year ended December 31, 2008, the Monroe County Public Facilities Authority issued bonds in the amount of $9,500,000. The bonds bear interest of 3.203% with final maturity in 2014. Proceeds of the bonds were used for the purpose of financing 1) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the County; 2) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the City of Forsyth and 3) to pay the costs of issuance of the bonds. The outstanding balance of the 2008 Series general obligation bonds as of December 31, 2011 was $5,755,000.

During the year ended December 31, 2010, the Monroe County Public Facilities Authority issued bonds in the amount of $6,245,000. The bonds bear interest of 2.0 to 3.0% with final maturity in 2020. Proceeds of the bonds were used for the purpose of financing 1) improvements and extensions to the County's water system, 2) improvements and equipping of the public safety facilities in the County, 3) the acquisition, construction, renovation, and equipping of a County administrative building, and 4) the acquisition, construction, renovation, additions, or equipping of the existing hospital facilities and land adjacent to the County's hospital. The outstanding balance of the 2010 Series general obligation bonds as of December 31, 2011 was $5,440,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued). The 2008 series bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County and the City of Forsyth pursuant to an intergovernmental contract between the Public Facilities Authority, the County and the City of Forsyth. The 2010 series bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County and the Hospital Authority pursuant to an intergovernmental contract between the Public Facilities Authority, the County and the Hospital Authority. The County's obligation under the contract to make payments to the Public Facilities Authority at times and in amounts sufficient to enable the Public Facilities Authority to pay the principal of and interest on the bonds is absolute and unconditional, is secured by a pledge of the County's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. These bonds are therefore reflected as general obligation bonds of the County within these financial statements. The County intends to make its payments under the contract from its portion of the revenues generated by a one percent special purpose local option sales and use tax (the "SPLOST"); however, the County's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

General obligation bonds debt service requirements to maturity are as follows at December 31, 2011:

December 31,	Principal	Interest	Total
2012	$ 3,300,000	$ 274,018	$ 3,574,018
2013	3,385,000	180,429	3,565,429
2014	3,175,000	84,277	3,259,277
2015	200,000	34,925	234,925
2016	215,000	29,700	244,700
2017-2020	920,000	54,562	974,562
	$ 11,195,000	$ 657,911	$ 11,852,911

Revenue Bonds. On October 16, 2003, the County issued Revenue Refunding and Improvement Bonds for Water and Sewerage Projects, Series 2003A, in the aggregate amount of $13,705,000. The proceeds were used to defease the remaining outstanding Series 1998 Water and Sewerage Bonds. The bonds are due in annual installments ranging from $460,000 to $1,020,000, through November 1, 2028, plus interest at 3.0% to 5.0%. The outstanding balance of the revenue bonds as of December 31, 2011 was $12,280,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds (Continued). Debt service requirements to maturity on the revenue bonds are as follows:

December 31,	Principal	Interest	Total
2012	$ 505,000	$ 561,503	$ 1,066,503
2013	525,000	543,322	1,068,322
2014	545,000	523,635	1,068,635
2015	565,000	502,652	1,067,652
2016	590,000	480,053	1,070,053
2017 - 2021	3,340,000	2,001,578	5,341,578
2022 - 2026	4,220,000	1,122,719	5,342,719
2027 - 2028	1,990,000	146,737	2,136,737
	$ 12,280,000	$ 5,882,199	$ 18,162,199

Landfill Closure and Postclosure Costs. State and federal laws and regulations require the County to place a final cover on its Strickland Loop Road Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste (2049), the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The amount reported as landfill closure and postclosure care liability of $1,108,872 at December 31, 2011, represents the cumulative amount reported to date based on the use of 21.6% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $4,014,514 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1993, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Development Authority

Conduit Debt Obligations. From time to time, the Development Authority issues revenue bonds to provide financial assistance to private-sector entities or other third parties for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans and agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The Development Authority is not obligated in any manner for repayment of the bonds as discussed above. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority (Continued)

Conduit Debt Obligations (Continued). The original issuance amounts of bonds issued by the Development Authority as of December 31, 2011 for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2011 were not available.

For the Benefit of	Issuance Date	Original Principal
Oglethorpe Power Corporation	November 22, 2005	$ 8,465,000
Oglethorpe Power Corporation	October 24, 2006	9,020,000
Georgia Power Company	July 20, 2006	48,720,000
Georgia Power Company	December 13, 2006	28,065,000
Industrial Developments International, L.P.	January 23, 2008	11,500,000
Georgia Power Company	October 25, 2008	83,515,000
Georgia Power Company	July 14, 2009	40,000,000
Georgia Power Company	September 17, 2009	89,200,000
Oglethorpe Power Corporation	December 10, 2009	10,940,000
Oglethorpe Power Corporation	December 10, 2009	93,630,000
Oglethorpe Power Corporation	March 30, 2010	43,445,000
Gulf Power Company	May 28, 2010	21,000,000
Oglethorpe Power Corporation	March 31, 2011	47,610,000
		$ 535,110,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund: General Fund	Public Facilities Authority	Water Capital Fund	Water Fund
General Fund	$ -	$ 2,500	$ -	$ 118,970
Public Facilities Authority	-	-	1,260,814	-
Water Capital Fund	175,405	-	-	30,000
Nonmajor governmental funds	138,530	1,330,629	-	-
Total	$ 313,935	$ 1,333,129	$ 1,260,814	$ 148,970

Receivable Fund	Payable Fund: Landfill Fund	Nonmajor Governmental Funds	Nonmajor Business-type Funds	Total
General Fund	$ 26,577	$ 185,457	$ 4,920	$ 338,424
Public Facilities Authority	-	-	-	1,260,814
Water Capital Fund	-	-	-	205,405
Nonmajor governmental funds	-	-	-	1,469,159
Total	$ 26,577	$ 185,457	$ 4,920	$ 3,273,802

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

Interfund transfers:

Transfers In	Transfers Out: General Fund	Water Capital Fund	Nonmajor Governmental Funds	Total
Public Facilities Authority	$ 69,860	$ 96,517	$ 167,297	$ 333,674
Water Capital Fund	301,760	-	-	301,760
Water Fund	1,400,000	-	-	1,400,000
Landfill Fund	800,000	-	-	800,000
Nonmajor governmental funds	540,136	-	-	540,136
Nonmajor business-type funds	106,000	-	-	106,000
Total	$ 3,217,756	$ 96,517	$ 167,297	$ 3,481,570

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2011, the County paid $19,950 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Middle Georgia Regional Commission, 175 C Emery Highway, Macon, Georgia 31217.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Monroe County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2011, (the most recent actuarial valuation date) are as follows:

	January 1, 2011	January 1, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 1,250,168	$ 1,109,800
Interest on Net Pension Obligation	(17,367)	(11,326)
Amortization of Net Pension Obligation	18,583	12,118
Annual Pension Cost	$ 1,251,384	$ 1,110,592

Derivation of Net Pension Obligation	
Net Pension Obligation (Asset) as of Beginning of Prior Year	$ (146,139)
Annual Pension Cost for Prior Year	1,110,592
Actual Contributions to Plan for Prior Year	1,188,548
Increase in Net Pension Obligation (Asset)	(77,956)
Net Pension Obligation (Asset) as Beginning of the Year	$ (224,095)

Basis of Valuation	
Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0%-7.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	10

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/11	$ 1,251,384	$ N/A	N/A %	$ (224,095)
1/1/10	1,110,592	1,188,548	107	(146,139)
1/1/09	1,051,971	1,150,299	109	(47,811)
1/1/08	891,054	944,329	106	5,464
1/1/07	738,027	738,051	100	5,488
1/1/06	680,656	680,680	100	5,512

As of the most recent valuation date, January 1, 2011, the funded status of the Plan was as follows:

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	(Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/10	$ 13,290,343	$ 17,936,060	$ 4,645,717	74.1 %	$ 6,671,674	69.6 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

NOTE 11. OTHER POSTEMPLOYMENT BENEFIT PLAN

In accordance with GASB 45 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended December 31, 2011. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of December 31, 2011. The plan does not issue a separate, stand-alone report and is not included in the report of another entity.

NOTE 11. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

The County provides postretirement health care benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Monroe County Board of Commissioners. The only requirement is the employee must retire from the County. The benefits are offered until the retiree turns 65 and is eligible for Medicare. The County pays 50% of the premium and the employee must pay the remaining 50%. Currently, four employees are enrolled in postretirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2011, the net cost of premiums for providing post-retirement benefits for retirees was $23,265.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of January 1, 2010.

Active members	229
Retired members	4
	233

Contributions

The County contributed $23,265 to the OPEB Health Care Plan in fiscal year 2011. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commission. The Commission established and may amend the funding policy for the OPEB Health Care Plan.

	January 1, 2011	January 1, 2010
Derivation of Annual OPEB Cost		
Annual Required Contribution	$ 215,845	$ 215,845
Interest on Net OPEB Obligation	(6,475)	(6,475)
Amortization of Net OPEB Obligation	6,475	6,475
Annual OPEB Cost	$ 215,845	$ 215,845
Derivation of Net OPEB Obligation		
Net OPEB Obligation (Asset) as of Beginning of Year		$ 510,476
Annual OPEB Cost for Year		215,845
Actual Contributions to Plan for Current Year		23,265
Increase in Net OPEB Obligation (Asset)		192,580
Net OPEB Obligation (Asset) as of End of the Year		$ 703,056

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Schedule of Employer Costs and Contributions

Fiscal Year Beginning	Annual Required Contribution/ Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
1/1/11	$ 215,845	$ 23,265	11 %	$ 703,056
1/1/10	215,845	17,875	8	510,476
1/1/09	171,648	14,308	8	312,506
1/1/08	171,648	16,482	10	155,166

As of the most recent valuation date, January 1, 2010, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
01/01/10	$ -	$ 1,938,904	$ 1,938,904	- %	$ 7,212,712	26.9 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010. The assumptions used in the January 1, 2010 actuarial valuation are as follows:

Basis of Valuation	
Current Valuation Date	January 1, 2010
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.0%
Medical Cost Trend Rate	10.5% - 5.0%
Year of Ultimate Medical Cost Trend Rate	2017
Amortization Method	Level Percent of Pay (Open)
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County 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 County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

The County is partially insured in regard to health insurance claims. The first $75,000 of claims is paid by the County. The County has a reinsurance policy that pays most claims in excess of the $75,000, per covered individual, to reduce the exposure from catastrophic loss. These liabilities are recorded in the General Fund and enterprise funds since payment is expected to be made within one year. A third party administrator is employed to process claims for the group health program. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years. All funds participate in the program and make payments to the General Fund. The claims liability of $191,000 at December 31, 2011 is based on requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Required disclosure representing the changes in the balances of claims liabilities during the years ended December 31, 2011 and 2010, respectively, are as follows:

	December 31,	
	2011	2010
Unpaid claims, beginning of fiscal year	$ 243,000	$ 298,000
Claims paid	2,105,237	2,312,483
Incurred claims	2,157,237	2,367,483
Unpaid claims, end of fiscal year	$ 191,000	$ 243,000

NOTE 13. CONTINGENCIES AND COMMITMENTS

Grant Contingencies:

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

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at December 31, 2011, the County has contractual commitments on uncompleted construction contracts of approximately $3.3 million for a new County Administration Building.

Litigation:

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

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

DEFINED BENEFIT PENSION PLAN

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	(Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/10	$ 13,290,343	$ 17,936,060	$ 4,645,717	74.1 %	$ 6,671,674	69.6 %
12/31/09	12,128,867	16,725,018	4,596,151	72.5	6,378,809	72.1
12/31/08	10,900,121	14,862,715	3,962,594	73.3	6,181,975	64.1
12/31/07	10,730,553	12,686,846	1,956,293	84.6	5,639,289	34.7
12/31/06	9,731,795	11,522,443	1,790,648	84.5	5,292,244	33.8
12/31/05	8,852,064	11,033,284	2,181,220	80.2	5,032,892	43.3

The assumptions used in the preparation of the above schedule are disclosed in Note 10 in the Notes to the Financial Statements.

OTHER POST EMPLOYMENT BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/10	$ -	$ 1,938,904	$ 1,938,904	- %	$ 7,212,712	26.9 %
01/01/08	-	1,500,268	1,500,268	-	6,425,184	23.3

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

MONROE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Library Fund – To account for costs of operating and maintaining the Monroe County Library. Financing is provided from general revenues of the County, fines, and contributions.

Forfeited Funds – To account for monies seized and ordered as forfeited by the courts. Monies are seized in drug related cases. All funds are expended by law enforcement personnel.

Law Library Fund – To account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

Jail Fines Fund – To account for monies received by the collection of a 10% add-on fine as allowed by state law to be used for construction, operating, and staffing the County jail.

Drug Education Fund – To account for the expenditure of monies from the County Drug Abuse Treatment and Education Fund. Financing is provided by the collection of an add-on fine as allowed by state law.

E-911 Fund – To account for the cost of operating and maintaining the Monroe County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the Monroe County E-911 system and by a transfer from the General Fund.

C.A.R.E. Cottage Fund – To account for the operation of the Monroe County Child Abuse Reporting Enforcement Cottage. Financing is provided by fines, grants, and contributions.

Federal Forfeited Funds – To account for monies seized and ordered as forfeited by the federal courts. Monies are seized in drug related cases. All funds are expended by law enforcement personnel.

EMS Grant Fund – To account for the receipt and expenditures of monies received from various grants and contributions for the Emergency Medical Services.

EMA Grant Fund – To account for the receipt and expenditures of monies received from various grants and contributions for the Emergency Management Agency.

Sheriff's Safe Driving Fund – To account for the receipt and expenditures of monies received from various grants and contributions for the purpose of the education and promotion of safe driving in the County.

MONROE COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Roads Fund – To account for the improvements of public roads within the County from resources provided by a special County one percent sales and use tax.

Fire Fund – To account for the construction of two fire stations and related capital equipment used in the operation of these facilities, including two fire trucks. Financing is provided by a special County one percent sales and use tax.

Recreation Fund – To account for capital improvements to the Monroe County Recreation Center. Financing is provided by a special County one percent sales and use tax.

Public Safety Facilities Fund – To account for capital improvements to the Monroe County public safety facilities. Financing is provided by a special County one percent sales and use tax.

Patrol Vehicles Fund – To account for the acquisition of patrol vehicles for the Monroe County Sheriff's Office. Financing is provided by a special County one percent sales and use tax.

Emergency Services Fund – To account for capital improvements to the Monroe County Emergency Services. Financing is provided by a special County one percent sales and use tax.

Animal Shelter Fund – To account for the construction of an animal shelter in Monroe County. Financing is provided by a special County one percent sales and use tax.

Administration Building Fund – To account for the acquisition, renovation and equipping of a County administrative building. Financing is provided by a special County one percent sales and use tax.

Hospital Fund – To account for capital improvements at the Monroe County Hospital. Financing is provided by a special County one percent sales and use tax.

2008 SPLOST Fund – To account for revenues received on behalf of the City of Forsyth and the City of Culloden. Financing is provided by a special County one percent sales and use tax.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
ASSETS			
Cash	$ 637,040	$ 4,629,873	$ 5,266,913
Investments	86,037	-	86,037
Accounts receivable	74,093	-	74,093
Interest receivable	231	-	231
Due from other governments	6,193	393,331	399,524
Due from other funds	-	1,469,159	1,469,159
Prepaid items	3,915	-	3,915
Total assets	$ 807,509	$ 6,492,363	$ 7,299,872
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 47,956	$ 19,339	$ 67,295
Accrued liabilities	39,135	-	39,135
Due to other governments	-	80,884	80,884
Due to other funds	103,079	82,378	185,457
Total liabilities	190,170	182,601	372,771
FUND BALANCES			
Nonspendable:			
Prepaid items	3,915	-	3,915
Restricted for:			
Judicial	431,294	-	431,294
Public safety	118,129	-	118,129
Capital projects	-	6,309,762	6,309,762
Committed for:			
Public safety	874	-	874
Assigned for:			
Culture and recreation	63,127	-	63,127
Total fund balances	617,339	6,309,762	6,927,101
Total liabilities and fund balances	$ 807,509	$ 6,492,363	$ 7,299,872

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
Revenues:			
Sales tax	$ -	$ 4,229,498	$ 4,229,498
Intergovernmental	95,970	-	95,970
Fines and forfeitures	375,122	-	375,122
Charges for services	440,154	-	440,154
Interest income	1,455	5,380	6,835
Contributions	4,435	-	4,435
Miscellaneous	18,407	-	18,407
Total revenues	935,543	4,234,878	5,170,421
Expenditures:			
Current:			
Judicial	33,543	-	33,543
Public safety	1,472,730	-	1,472,730
Health and welfare	-	898,836	898,836
Culture and recreation	14,267	-	14,267
Intergovernmental	-	869,748	869,748
Capital outlay	-	1,088,353	1,088,353
Total expenditures	1,520,540	2,856,937	4,377,477
Excess (deficiency) of revenues over (under) expenditures	(584,997)	1,377,941	792,944
Other financing sources (uses):			
Transfers in	461,228	78,908	540,136
Transfers out	-	(167,297)	(167,297)
Total other financing sources (uses)	461,228	(88,389)	372,839
Net change in fund balances	(123,769)	1,289,552	1,165,783
Fund balances, beginning of year	741,108	5,020,210	5,761,318
Fund balances, end of year	$ 617,339	$ 6,309,762	$ 6,927,101

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
ASSETS					
Cash	$ 6,871	$ 2,963	$ 8,973	$ 86,387	$ 6,627
Investments	56,033	-	30,004	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	223	-	8	-	-
Due from other governments	-	-	-	4,148	-
Prepaid items	-	-	-	-	-
Total assets	$ 63,127	$ 2,963	$ 38,985	$ 90,535	$ 6,627
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 7,000	$ 215
Accrued liabilities	-	-	-	-	95
Due to other funds	-	-	-	10,017	1,557
Total liabilities	-	-	-	17,017	1,867
FUND BALANCES					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted for:					
Judicial	-	-	38,985	-	-
Public safety	-	2,963	-	73,518	4,760
Committed for:					
Public safety	-	-	-	-	-
Assigned for:					
Culture and recreation	63,127	-	-	-	-
Total fund balances	63,127	2,963	38,985	73,518	4,760
Total liabilities and fund balances	$ 63,127	$ 2,963	$ 38,985	$ 90,535	$ 6,627

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	EMS Grant	EMA Grant	Sheriff's Safe Driving	Total Special Revenue Funds
$ 38,098	$ 415,810	$ 47,089	$ 422	$ 22,926	$ 874	$ 637,040
-	-	-	-	-	-	86,037
74,093	-	-	-	-	-	74,093
-	-	-	-	-	-	231
-	2,045	-	-	-	-	6,193
-	-	3,915	-	-	-	3,915
$ 112,191	$ 417,855	$ 51,004	$ 422	$ 22,926	$ 874	$ 807,509
$ 13,146	$ 747	$ 25,804	$ -	$ 1,044	$ -	$ 47,956
32,983	6,057	-	-	-	-	39,135
65,650	18,742	5,565	104	1,444	-	103,079
111,779	25,546	31,369	104	2,488	-	190,170
-	-	3,915	-	-	-	3,915
-	392,309	-	-	-	-	431,294
412	-	15,720	318	20,438	-	118,129
-	-	-	-	-	874	874
-	-	-	-	-	-	63,127
412	392,309	19,635	318	20,438	874	617,339
$ 112,191	$ 417,855	$ 51,004	$ 422	$ 22,926	$ 874	$ 807,509

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	4,433	6,198	25,193	183,840	29,257
Charges for services	2,698	-	-	-	-
Interest income	701	3	39	150	7
Contributions	2,915	-	-	-	-
Miscellaneous	1,691	-	-	-	11,245
Total revenues	12,438	6,201	25,232	183,990	40,509
Expenditures:					
Current:					
Judicial	-	-	33,543	-	-
Public safety	-	4,898	-	236,053	35,749
Culture and recreation	14,267	-	-	-	-
Total expenditures	14,267	4,898	33,543	236,053	35,749
Excess (deficiency) of revenues over (under) expenditures	(1,829)	1,303	(8,311)	(52,063)	4,760
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(1,829)	1,303	(8,311)	(52,063)	4,760
Fund balances, beginning of year	64,956	1,660	47,296	125,581	-
Fund balances, end of year	$ 63,127	$ 2,963	$ 38,985	$ 73,518	$ 4,760

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	EMS Grant	EMA Grant	Sheriff's Safe Driving	Total Special Revenue Funds
$ -	$ 88,289	$ -	$ -	$ 7,681	$ -	$ 95,970
-	89,941	36,260	-	-	-	375,122
437,456	-	-	-	-	-	440,154
86	360	79	-	28	2	1,455
-	-	-	-	-	1,520	4,435
-	5,471	-	-	-	-	18,407
437,542	184,061	36,339	-	7,709	1,522	935,543
-	-	-	-	-	-	33,543
898,358	200,685	89,331	104	5,668	1,884	1,472,730
-	-	-	-	-	-	14,267
898,358	200,685	89,331	104	5,668	1,884	1,520,540
(460,816)	(16,624)	(52,992)	(104)	2,041	(362)	(584,997)
461,228	-	-	-	-	-	461,228
461,228	-	-	-	-	-	461,228
412	(16,624)	(52,992)	(104)	2,041	(362)	(123,769)
-	408,933	72,627	422	18,397	1,236	741,108
$ 412	$ 392,309	$ 19,635	$ 318	$ 20,438	$ 874	$ 617,339

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2011

	Roads	Fire	Recreation	Public Safety Facilities	Patrol Vehicles
ASSETS					
Cash	$ 2,107,233	$ 75,036	$ 220,713	$ 364,670	$ 88,318
Due from other governments	137,718	-	12,050	8,607	12,050
Due from other funds	138,530	-	-	-	-
Total assets	$ 2,383,481	$ 75,036	$ 232,763	$ 373,277	$ 100,368
LIABILITIES AND FUND BALANCES					
Accounts payable	$ -	$ -	$ 12,457	$ -	$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	648	5,256	121	3,588
Total liabilities	-	648	17,713	121	3,588
FUND BALANCES					
Restricted for:					
Capital projects	2,383,481	74,388	215,050	373,156	96,780
Total fund balances	2,383,481	74,388	215,050	373,156	96,780
Total liabilities and fund balances	$ 2,383,481	$ 75,036	$ 232,763	$ 373,277	$ 100,368

Emergency Services	Animal Shelter	Administration Building	Hospital	2008 SPLOST	Total Capital Project Funds
$ 101,035	$ -	$ 837,117	$ 826,667	$ 9,084	$ 4,629,873
7,747	-	60,252	74,023	80,884	393,331
-	-	1,203,183	127,446	-	1,469,159
$ 108,782	$ -	$ 2,100,552	$ 1,028,136	$ 89,968	$ 6,492,363
$ -	$ -	$ 6,882	$ -	$ -	$ 19,339
-	-	-	-	80,884	80,884
-	-	72,765	-	-	82,378
-	-	79,647	-	80,884	182,601
108,782	-	2,020,905	1,028,136	9,084	6,309,762
108,782	-	2,020,905	1,028,136	9,084	6,309,762
$ 108,782	$ -	$ 2,100,552	$ 1,028,136	$ 89,968	$ 6,492,363

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Roads	Fire	Recreation	Public Safety Facilities	Patrol Vehicles
Revenues:					
Sales tax	$ 1,480,881	$ -	$ 129,577	$ 92,555	$ 129,577
Interest income	2,107	79	307	355	129
Total revenues	1,482,988	79	129,884	92,910	129,706
Expenditures:					
Current:					
Health and welfare	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	427,933	12,376	178,388	-	119,296
Total expenditures	427,933	12,376	178,388	-	119,296
Excess (deficiency) of revenues over (under) expenditures	1,055,055	(12,297)	(48,504)	92,910	10,410
Other financing sources (uses):					
Transfers in	50,000	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	50,000	-	-	-	-
Net change in fund balances	1,105,055	(12,297)	(48,504)	92,910	10,410
Fund balances, beginning of year	1,278,426	86,685	263,554	280,246	86,370
Fund balances, end of year	$ 2,383,481	$ 74,388	$ 215,050	$ 373,156	$ 96,780

Emergency Services	Animal Shelter	Administration Building	Hospital	2008 SPLOST	Total Capital Project Funds
$ 83,300	$ -	$ 647,886	$ 795,974	$ 869,748	$ 4,229,498
71	49	1,261	983	39	5,380
83,371	49	649,147	796,957	869,787	4,234,878
-	-	-	898,836	-	898,836
-	-	-	-	869,748	869,748
-	85,891	264,469	-	-	1,088,353
-	85,891	264,469	898,836	869,748	2,856,937
83,371	(85,842)	384,678	(101,879)	39	1,377,941
-	28,908	-	-	-	78,908
-	-	(111,280)	(56,017)	-	(167,297)
-	28,908	(111,280)	(56,017)	-	(88,389)
83,371	(56,934)	273,398	(157,896)	39	1,289,552
25,411	56,934	1,747,507	1,186,032	9,045	5,020,210
$ 108,782	$ -	$ 2,020,905	$ 1,028,136	$ 9,084	$ 6,309,762

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1997 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Project Description	Original and Revised Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Fire Department Capital Improvements	$ 500,000	$ 420,713	$ 12,376	$ 433,089
Youth Center Facility	600,000	600,000	-	600,000
Courthouse Capital Improvements	250,000	250,000	-	250,000
Total	$ 1,350,000	$ 1,270,713	$ 12,376	$ 1,283,089

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2003 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Facilities and Equipment	$ 400,000	$ 400,000	$ -	$ 400,000
Courthouse Capital Improvements	1,000,000	946,855	-	946,855
Patrol Vehicles	625,000	700,968	-	700,968
Emergency Services Equipment	180,000	264,090	-	264,090
Animal Shelter Facility and Equipment	145,000	73,822	56,983	130,805
Tift College Bonds Debt Service	6,300,000	5,567,643	-	5,567,643
Roads, Streets, and Bridges	4,750,000	4,750,000	-	4,750,000
Construction of Water and Sewer Lines	4,750,000	4,871,280	-	4,871,280
Hospital Capital Improvements	250,000	250,000	-	250,000
Youth Center Facility	200,000	200,000	-	200,000
Total	$ 18,600,000	$ 18,024,658	$ 56,983	$ 18,081,641

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Facilities and Equipment	$ 700,000	$ 78,010	$ 178,388	$ 256,398
Administrative Facility and Equipment	3,500,000	214,990	375,749	590,739
Patrol Vehicles	700,000	158,223	119,296	277,519
Emergency Services Equipment	450,000	227,000	-	227,000
Public Safety Facility and Equipment	500,000	121	-	121
Roads, Streets, and Bridges	8,000,000	2,792,849	377,933	3,170,782
Construction of Water and Sewer Lines	5,354,000	4,253,117	459,496	4,712,613
Hospital Capital Improvements	4,300,000	1,194,500	954,853	2,149,353
City of Forsyth	4,200,000	2,350,399	777,344	3,127,743
City of Culloden	500,000	279,396	92,404	371,800
Total	$ 28,204,000	$ 11,548,605	$ 3,335,463	$ 14,884,068

Reconciliation of SPLOST schedules to financial statements:

Total of all SPLOST schedules or expenditures	$ 3,404,822
Expenditures - Water Capital Fund	$ 664,739
Transfers in - Water Capital Fund	(301,760)
Transfers out - Water Capital Fund	96,517
Expenditures - nonmajor SPLOST funds	2,856,937
Transfers in - nonmajor SPLOST funds	(78,908)
Transfers out - nonmajor SPLOST funds	167,297
	$ 3,404,822

MONROE COUNTY, GEORGIA
AGENCY FUNDS

Tax Commissioner – To account for the collection and payment to Monroe County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Monroe County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2011

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 458,076	$ 294,847	$ 113,498	$ 12,295	$ 235,181	$ 1,113,897
Taxes receivable	10,529,679	-	-	-	-	10,529,679
Due from others	-	-	-	-	5,120	5,120
Total assets	$ 10,987,755	$ 294,847	$ 113,498	$ 12,295	$ 240,301	$ 11,648,696
LIABILITIES						
Due to others	$ 458,076	$ 294,847	$ 113,498	$ 12,295	$ 240,301	$ 1,119,017
Uncollected taxes	10,529,679	-	-	-	-	10,529,679
Total liabilities	$ 10,987,755	$ 294,847	$ 113,498	$ 12,295	$ 240,301	$ 11,648,696

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of and for the year ended December 31, 2011, which collectively comprise Monroe County, Georgia's basic financial statements and have issued our report thereon dated June 13, 2012. As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Monroe County Health Department, as described in our report on Monroe County, Georgia's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of Monroe County, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Monroe County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2011-1 to be a material weakness.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2011-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe County, Georgia'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2011-3.

We also noted certain additional matters that we reported to the management of Monroe County, Georgia in a separate letter dated June 13, 2012.

Monroe County, Georgia's responses to the audit findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Monroe County, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and the Board of Commissioners of Monroe County, Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
June 13, 2012

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	X yes ____ none reported
Noncompliance material to financial statements noted?	X yes ____ no

Federal Awards

There was not an audit of major federal award programs as of December 31, 2011 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2011-1. Revenue Cycle Transactions

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the County's property tax receivable and revenue accounts during the year ended December 31, 2011.

Context: We addressed this matter with County officials, who were able to determine all appropriate receivable and revenue entries that should be recorded as of December 31, 2011.

Effect: An audit adjustment was necessary to correct taxes receivable, deferred revenue, and property tax revenue balances within the General Fund as of December 31, 2011.

Recommendation: We recommend the County begin recognizing and recording all necessary revenue adjustments at the end of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will begin recognizing and recording all necessary receivable and revenue adjustments as appropriate in future years.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2011-2. Segregation of Duties

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

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Water Department and Probate Court.

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

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

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated between employees.

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

2011-3. Noncompliance in Investments

Criteria: The Official Code of Georgia (OCGA) Section 36-83-4(a) limits local governments' investments to the following: (1) obligations of the State of Georgia or other states; (2) obligations issued by the U.S. government; (3) obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; (4) obligations of any corporation of the U.S. government; (5) prime bankers' acceptances; (6) the local government investment pool established by state law; (7) repurchase agreements; and (8) obligations of other political subdivisions of this state

Condition: During the fiscal year ending December 31, 2011, the County's Water and Sewer Fund invested in a corporate bond with a market value of approximately $83,600 as of December 31, 2011.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2011-3. Noncompliance in Investments

Recommendation: The County should carefully review all assets to ensure they are invested in types of investments that are allowable and authorized by the OCGA.

Views of Responsible Officials and Planned Corrective Action: We concur. The County will carefully review all assets to ensure they are invested in types of investments that are allowable and authorized by the State of Georgia.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

2010-1. Revenue Cycle Transactions

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended December 31, 2010.

Auditee Response/Status: Unresolved. This is included in current finding number 2011-1.

2010-2. Maintenance of Records for Agency Fund Accounts

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

Condition: During our audit of the various elected officials as of December 31, 2011, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed on certain accounts maintained at the office of the Tax Commissioner.

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2011 and is not included as a finding for the current year.

2010-3. Segregation of Duties

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

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Water Department and Probate Court.

Auditee Response/Status: Unresolved. This is included as current finding number 2012-1.

2010-4. Accrued Interest Receivable (Component Unit – Development Authority)

Criteria: Internal controls should be in place to ensure all cash and investment activity of the Development Authority, including accrued interest, is recorded in the general ledger.

Condition: The Development Authority did not appropriately record accrued interest receivable on its certificate of deposit as of December 31, 2011.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

2010-4. Accrued Interest Receivable (Component Unit – Development Authority) (Continued)

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2011 and is not included as a finding for the current year.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Monroe County, Georgia's compliance during the year ended December 31, 2011, with the requirement to use grant proceeds solely for the purpose or purposes for which the grants were made for Local Assistance Grant #02-C-L-503. Management is responsible for Monroe County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Monroe County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Monroe County, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Monroe County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Monroe County, Georgia complied with the aforementioned requirement for the year ended December 31, 2011, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Monroe County, Georgia Board of Commissioners and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
June 13, 2012

State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)

LINE		
A	Local Government	**Monroe County, Georgia**
B	State Awarding Agency	**Department of Community Affairs State of Georgia**
C	Grant Identification Number	**02-C-L-503**
D	Grant Title	**Local Assistance Grant**
E	Grant Award Date	**07/02/01**
F	Grant Amount	**$25,000.00**

		COLUMN 1 **Current Year Activity** For the Year Ended: December 31, 2011	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: December 31, 2011
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$7,416.00	
I	Grant Receipts or Revenue Recognized	$0.00	$25,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$7,416.00	$25,000.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$0.00	$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official _____ Date 5/1/2012

Signature of Chief Financial Officer _____ Date 5/1/2012