MONROE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

MONROE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monroe County, Georgia** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Monroe County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Health Department, which represents 4.0% of the assets, 3.3% of the net position, and 90.6% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Health Department, 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress on page 49 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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 and schedules 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 19, 2014

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 5,288,043	$ 106,450	$ 5,394,493	$ 3,543,675	$ 182,600
Investments	86,872	149,239	236,111	-	-
Taxes receivable	6,456,301	-	6,456,301	-	-
Interest receivable	73	-	73	-	-
Accounts receivable, net of allowances	891,757	111,790	1,003,547	17,500	60,011
Due from other governments	1,343,319	-	1,343,319	-	-
Internal balances	133,062	(133,062)	-	-	-
Inventories	270,810	55,130	325,940	-	-
Prepaid items	-	-	-	3,716	-
Restricted assets					
Cash	17,266,412	88,571	17,354,983	-	-
Other noncurrent assets	40,400	-	40,400	-	-
Capital assets, non-depreciable	1,375,989	3,031,886	4,407,875	1,941,590	-
Capital assets, depreciable, net of accumulated depreciation	74,188,903	31,087,286	105,276,189	378,967	4,597
Total assets	107,341,941	34,497,290	141,839,231	5,885,448	247,208
LIABILITIES					
Accounts payable	1,061,500	240,723	1,302,223	8,681	12,173
Accrued liabilities	653,211	47,511	700,722	-	-
Unearned revenues	17,303	-	17,303	23,388	-
Due to other governments	606,739	-	606,739	-	-
Accrued interest	86,360	-	86,360	-	-
Customer deposits payable	-	88,600	88,600	-	-
Capital leases due within one year	35,406	-	35,406	-	-
Compensated absences due within one year	227,034	46,630	273,664	-	7,394
Compensated absences due in more than one year	340,551	17,378	357,929	-	27,170
Bonds payable due within one year	3,175,000	-	3,175,000	-	-
Bonds payable due in more than one year	25,864,971	-	25,864,971	-	-
Claims and judgments payable due within one year	1,231,350	-	1,231,350	-	-
Claims and judgments payable due in more than one year	205,225	-	205,225	-	-
Landfill closure and postclosure care costs due in more than one year	-	1,041,108	1,041,108	-	-
Net OPEB obligation due in more than one year	1,082,928	-	1,082,928	-	-
Total liabilities	34,587,578	1,481,950	36,069,528	32,069	46,737
NET POSITION					
Net investment in capital assets	61,577,046	34,119,170	95,696,216	2,320,557	4,597
Restricted for:					
Judicial	392,936	-	392,936	-	-
Public safety	288,792	-	288,792	-	-
Capital projects	5,291,267	-	5,291,267	-	-
Unrestricted	5,204,322	(1,103,830)	4,100,492	3,532,822	195,874
Total net position	$ 72,754,363	$ 33,015,340	$ 105,769,703	$ 5,853,379	$ 200,471

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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 Position: Governmental Activities	Business-type Activities	Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 5,787,905	$ 706,201	$ 593	$ 1,330	$ (5,079,781)	$ -	$ (5,079,781)	$ -	$ -
Judicial	1,571,676	1,886,596	-	-	314,920	-	314,920	-	-
Public safety	11,889,425	1,595,877	127,054	257	(10,166,237)	-	(10,166,237)	-	-
Public works	4,974,176	23,894	462,818	977,712	(3,509,752)	-	(3,509,752)	-	-
Health and welfare	1,354,990	13,920	81,951	147	(1,258,972)	-	(1,258,972)	-	-
Culture and recreation	1,094,174	69,958	9,958	71	(1,014,187)	-	(1,014,187)	-	-
Housing and development	294,149	-	-	-	(294,149)	-	(294,149)	-	-
Interest on long-term debt	672,331	-	-	-	(672,331)	-	(672,331)	-	-
Total governmental activities	27,638,826	4,296,446	682,374	979,517	(21,680,489)	-	(21,680,489)	-	-
Business-type activities:									
Water	1,959,636	1,117,703	-	-	-	(841,933)	(841,933)	-	-
Landfill	1,650,139	118,463	-	-	-	(1,531,676)	(1,531,676)	-	-
Building inspections	126,213	77,730	-	-	-	(48,483)	(48,483)	-	-
Total business-type activities	3,735,988	1,313,896	-	-	-	(2,422,092)	(2,422,092)	-	-
Total primary government	$ 31,374,814	$ 5,610,342	$ 682,374	$ 979,517	(21,680,489)	(2,422,092)	(24,102,581)	-	-
Component units:									
Development Authority	$ 163,100	$ 61,925	$ -	$ -	-	-	-	(101,175)	-
Health Department	632,172	234,840	375,910	-	-	-	-	-	(21,422)
Total component units	$ 795,272	$ 296,765	$ 375,910	$ -	-	-	-	(101,175)	(21,422)
General revenues:									
Property taxes					13,490,530	-	13,490,530	-	-
Sales taxes					8,399,052	-	8,399,052	-	-
Insurance premium tax					-	1,043,132	1,043,132	-	-
Intangible tax					148,937	-	148,937	-	-
Alcoholic beverages tax					110,432	-	110,432	-	-
Other taxes					72,006	-	72,006	-	-
Unrestricted investment earnings					29,611	37	29,648	1,697	225
Transfers					(3,063,677)	3,063,677	-	-	-
Total general revenues and transfers					19,189,856	4,106,846	23,296,702	1,697	225
Change in net position					(2,490,633)	1,684,754	(805,879)	(99,478)	(21,197)
Net position, beginning of year					75,244,996	31,330,586	106,575,582	5,952,857	221,668
Net position, end of year					$ 72,754,363	$ 33,015,340	$ 105,769,703	$ 5,853,379	$ 200,471

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

MONROE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 667,433	$ -	$ 1,743,220	$ 135,828	$ 2,741,562	$ 5,288,043
Investments	188	-	-	-	86,684	86,872
Taxes receivable (net)	6,456,301	-	-	-	-	6,456,301
Accounts receivable	818,698	-	-	-	73,059	891,757
Interest receivable	-	-	-	-	73	73
Due from other governments	261,885	716,642	341,573	-	23,219	1,343,319
Due from other funds	1,324,972	275,716	311,667	-	4,970,524	6,882,879
Inventories	270,810	-	-	-	-	270,810
Restricted cash	-	17,266,412	-	-	-	17,266,412
Total assets	$ 9,800,287	$ 18,258,770	$ 2,396,460	$ 135,828	$ 7,895,121	$ 38,486,466
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 546,440	$ -	$ -	$ 301,108	$ 213,952	$ 1,061,500
Accrued liabilities	613,313	-	-	-	39,898	653,211
Unavailable revenues	17,303	-	-	-	-	17,303
Due to other governments	-	419,610	187,129	-	-	606,739
Due to other funds	94,559	2,363,053	2,080,782	451,490	1,759,933	6,749,817
Total liabilities	1,271,615	2,782,663	2,267,911	752,598	2,013,783	9,088,570
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	5,020,785	-	-	-	-	5,020,785
Unavailable revenue - emergency services	328,063	-	-	-	-	328,063
Total deferred inflows of resources	5,348,848	-	-	-	-	5,348,848
FUND BALANCES (DEFICIT)						
Fund balances:						
Nonspendable:						
Inventories	270,810	-	-	-	-	270,810
Restricted for:						
Judicial	-	-	-	-	392,936	392,936
Public safety	-	-	-	-	288,792	288,792
Capital projects	-	13,297,227	128,549	-	5,162,718	18,588,494
Debt service	-	2,178,880	-	-	-	2,178,880
Assigned for:						
Culture and recreation	-	-	-	-	76,379	76,379
Unassigned	2,909,014	-	-	(616,770)	(39,487)	2,252,757
Total fund balances (deficit)	3,179,824	15,476,107	128,549	(616,770)	5,881,338	24,049,048
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 9,800,287	$ 18,258,770	$ 2,396,460	$ 135,828	$ 7,895,121	
Amounts reported for governmental activities in the statement of net position are different because						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						75,564,892
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						5,348,848
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(31,165,897)
Net pension assets are not financial resources of the current period and, therefore, are not reported in the funds.						40,400
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.						(1,082,928)
Net position of governmental activities						$ 72,754,363

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, 2013

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 9,038,350	$ -	$ -	$ -	$ -	$ 9,038,350
Sales taxes	3,102,977	-	931,420	-	3,338,530	7,372,927
Other taxes	331,375	-	-	-	-	331,375
Licenses and permits	67,298	-	-	-	-	67,298
Intergovernmental	594,348	-	-	-	370,966	965,314
Charges for services	2,014,485	-	-	-	473,783	2,488,268
Fines and forfeitures	1,217,358	-	-	-	407,625	1,624,983
Interest income	2,106	26,526	1,330	-	3,488	33,450
Contributions	-	-	-	-	11,508	11,508
Miscellaneous	153,327	-	-	14,163	1,694	169,184
Total revenues	16,521,624	26,526	932,750	14,163	4,607,594	22,102,657
Expenditures						
Current:						
General government	3,770,129	-	-	-	-	3,770,129
Judicial	1,513,600	-	-	-	22,952	1,536,552
Public safety	9,686,609	-	-	-	1,295,927	10,982,536
Public works	3,190,291	-	-	-	47,500	3,237,791
Health and welfare	645,294	-	-	-	697,003	1,342,297
Culture and recreation	905,617	-	-	-	12,723	918,340
Housing and development	287,334	-	-	-	-	287,334
Intergovernmental	-	-	794,790	-	-	794,790
Capital outlay	-	-	-	276,756	2,570,579	2,847,335
Debt service:						
Principal	34,115	3,385,000	-	-	-	3,419,115
Interest and fiscal charges	2,628	952,944	-	-	-	955,572
Issuance costs	-	121,335	-	-	-	121,335
Total expenditures	20,035,617	4,459,279	794,790	276,756	4,646,684	30,213,126
Excess (deficiency) of revenues over (under) expenditures	(3,513,993)	(4,432,753)	137,960	(262,593)	(39,090)	(8,110,469)
Other financing sources (uses):						
Proceeds from sale of capital assets	2,965	-	-	-	-	2,965
Transfers in	-	422,810	-	2,412,064	1,177,251	4,012,125
Transfers out	(1,997,277)	(2,412,064)	-	(2,275,963)	(390,498)	(7,075,802)
Total other financing sources (uses)	(1,994,312)	(1,989,254)	-	136,101	786,753	(3,060,712)
Net change in fund balances	(5,508,305)	(6,422,007)	137,960	(126,492)	747,663	(11,171,181)
Fund balance (deficit), beginning of year	8,688,129	21,898,114	(9,411)	(490,278)	5,133,675	35,220,229
Fund balance (deficit), end of year	$ 3,179,824	$ 15,476,107	$ 128,549	$ (616,770)	$ 5,881,338	$ 24,049,048

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, 2013

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

Net change in fund balances - total governmental funds	$ (11,171,181)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays differed from depreciation in the current period.	(543,152)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	403,296
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,397,623
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.	4,850,528
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.	(427,747)
	$ (2,490,633)

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 12,889,921	$ 12,889,921	$ 9,038,350	$ (3,851,571)
Sales taxes	2,906,000	2,906,000	3,102,977	196,977
Other taxes	313,102	313,102	331,375	18,273
Licenses and permits	65,000	65,000	67,298	2,298
Intergovernmental	530,596	586,899	594,348	7,449
Charges for services	2,253,405	2,253,405	2,014,485	(238,920)
Fines and forfeitures	1,202,500	1,202,500	1,217,358	14,858
Investment income	-	-	2,106	2,106
Contributions	2,000	2,000	-	(2,000)
Miscellaneous	151,616	151,616	153,327	1,711
Total revenues	20,314,140	20,370,443	16,521,624	(3,848,819)
Expenditures:				
Current:				
General government:				
County commissioners	1,081,719	928,544	1,269,519	(340,975)
Board of registrars	86,748	61,499	61,423	76
Elections	16,950	35,551	35,551	-
General administration	-	192	192	-
Financial administration	103,945	109,698	109,674	24
Purchasing	112,864	117,530	117,530	-
Fuel depot	7,110	5,043	5,012	31
Tax commissioner	351,339	374,958	374,947	11
Tax assessor	414,223	401,578	401,578	-
Board of equalization	11,671	4,811	4,811	-
Public buildings	657,783	711,376	711,299	77
Justice center	173,800	172,843	172,843	-
General insurance	486,273	505,750	505,750	-
Total general government	3,504,425	3,429,373	3,770,129	(340,756)
Judicial:				
Superior court	580,665	533,090	536,380	(3,290)
Clerk of superior court	396,960	387,740	387,740	-
Magistrate court	218,138	229,109	229,109	-
Probate court	332,659	351,431	351,431	-
Juvenile court	9,787	9,288	8,940	348
Total judicial	1,538,209	1,510,658	1,513,600	(2,942)
Public safety:				
Sheriff	3,710,595	3,758,247	3,936,777	(178,530)
Jail	2,556,078	2,631,255	2,631,074	181
School resource officer	52,522	58,962	58,962	-
Court security	96,160	96,160	159,403	(63,243)
Emergency services	2,416,363	2,472,727	2,654,852	(182,125)
Coroner	25,490	26,576	26,576	-
Animal control	111,221	128,864	128,864	-
Emergency management	77,118	90,101	90,101	-
Total public safety	9,045,547	9,262,892	9,686,609	(423,717)
Public works:				
Public roads	2,858,092	2,874,693	2,874,691	2
Maintenance and shop	301,414	315,600	315,600	-
Total public works	3,159,506	3,190,293	3,190,291	2

(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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Healthcare	$ 573,981	$ 571,981	$ 571,981	$ -
Tick control	23,840	17,945	17,872	73
Welfare	25,792	27,941	27,941	-
Community services	22,000	27,500	27,500	-
Total health and welfare	645,613	645,367	645,294	73
Culture and recreation:				
Recreation	530,862	530,862	607,934	(77,072)
Library	284,245	297,683	297,683	-
Total culture and recreation	815,107	828,545	905,617	(77,072)
Housing and development:				
Soil conservation	44,266	46,058	46,058	-
Extension service	92,446	105,351	104,651	700
Georgia forestry commission	18,952	18,952	18,627	325
Planning and zoning	3,805	2,113	2,113	-
Economic development	9,000	9,000	9,000	-
Family connection	107,199	107,198	106,885	313
Total housing and development	275,668	288,672	287,334	1,338
Debt service:				
Principal	311,565	311,565	34,115	277,450
Interest and fiscal charges	-	3,870	2,628	1,242
Total debt service	311,565	315,435	36,743	278,692
Total expenditures	19,295,640	19,471,235	20,035,617	(564,382)
Excess (deficiency) of revenues over expenditures	1,018,500	899,208	(3,513,993)	(4,413,201)
Other financing sources (uses):				
Transfers out	(1,018,500)	(1,018,500)	(1,997,277)	(978,777)
Proceeds from sale of assets	-	-	2,965	2,965
Total other financing sources (uses)	(1,018,500)	(1,018,500)	(1,994,312)	(975,812)
Net change in fund balance	-	(119,292)	(5,508,305)	(5,389,013)
Fund balance, beginning of year	8,688,129	8,688,129	8,688,129	-
Fund balance, end of year	$ 8,688,129	$ 8,568,837	$ 3,179,824	$ (5,389,013)

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

ASSETS	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CURRENT ASSETS				
Cash	$ 81,265	$ 20,947	$ 4,238	$ 106,450
Investments	149,239	-	-	149,239
Accounts receivable, net of allowances	97,152	14,638	-	111,790
Inventory	55,132	-	-	55,132
Restricted assets:				
Cash	88,571	-	-	88,571
Total current assets	471,359	35,585	4,238	511,182
NONCURRENT ASSETS				
Capital assets:				
Non-depreciable	2,836,119	195,766	-	3,031,885
Depreciable, net of accumulated depreciation	29,390,160	1,696,835	290	31,087,285
Total capital assets	32,226,279	1,892,601	290	34,119,170
Total noncurrent assets	32,226,279	1,892,601	290	34,119,170
Total assets	32,697,638	1,928,186	4,528	34,630,352
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	206,107	34,198	418	240,723
Accrued liabilities	6,807	36,332	4,372	47,511
Compensated absences payable, current	3,016	35,348	8,266	46,630
Due to other funds	111,065	20,947	1,050	133,062
Payable from restricted assets:				
Customer deposits payable	88,600	-	-	88,600
Total current liabilities	415,595	126,825	14,106	556,526
LONG-TERM LIABILITIES				
Compensated absences	780	14,765	1,833	17,378
Accrued closure / post-closure costs	-	1,041,108	-	1,041,108
Total long-term liabilities	780	1,055,873	1,833	1,058,486
Total liabilities	416,375	1,182,698	15,939	1,615,012
NET POSITION (DEFICIT)				
Investment in capital assets	32,226,279	1,892,601	290	34,119,170
Unrestricted	54,984	(1,147,113)	(11,701)	(1,103,830)
Total net position (deficit)	$ 32,281,263	$ 745,488	$ (11,411)	$ 33,015,340

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

MONROE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Operating revenues:				
Charges for services:				
Water charges	$ 1,007,908	$ -	$ -	$ 1,007,908
Collection and disposal fees	-	102,603	-	102,603
Building licenses and permits	-	-	77,705	77,705
Service charges	107,768	-	-	107,768
Miscellaneous	2,027	15,860	25	17,912
Total operating revenues	1,117,703	118,463	77,730	1,313,896
Operating expenses:				
Personal services	182,780	915,398	103,713	1,201,891
Purchased/contracted services	365,213	237,219	6,785	609,217
Supplies and materials	59,284	201,661	12,105	273,050
Utilities and purchased water	696,670	-	-	696,670
Depreciation	655,689	295,861	3,610	955,160
Total operating expenses	1,959,636	1,650,139	126,213	3,735,988
Operating loss	(841,933)	(1,531,676)	(48,483)	(2,422,092)
Nonoperating revenues (expenses):				
Insurance premium tax	-	1,043,132	-	1,043,132
Investment income (loss)	-	22	15	37
Total nonoperating revenues (expenses)	-	1,043,154	15	1,043,169
Loss before transfers	(841,933)	(488,522)	(48,468)	(1,378,923)
Transfers in	2,878,809	135,656	49,212	3,063,677
Change in net position	2,036,876	(352,866)	744	1,684,754
Net position (deficit), beginning of year	30,244,387	1,098,354	(12,155)	31,330,586
Net position (deficit), end of year	$ 32,281,263	$ 745,488	$ (11,411)	$ 33,015,340

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, 2013

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,139,500	$ 124,178	$ 77,730	$ 1,341,408
Payments to suppliers and service providers	(1,006,920)	(378,820)	(26,654)	(1,412,394)
Payments to employees	(184,763)	(927,723)	(104,670)	(1,217,156)
Payments for interfund services received	(290,535)	-	-	(290,535)
Net cash used in operating activities	(342,718)	(1,182,365)	(53,594)	(1,578,677)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Insurance premium taxes	-	1,043,132	-	1,043,132
Transfers in	2,878,809	135,656	49,212	3,063,677
Net cash provided by noncapital financing activities	2,878,809	1,178,788	49,212	4,106,809
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(2,679,288)	(16,195)	-	(2,695,483)
Net cash used in capital and related financing activities	(2,679,288)	(16,195)	-	(2,695,483)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(20)	-	-	(20)
Interest on investments	-	22	15	37
Net cash provided by (used in) investing activities	(20)	22	15	17
Net decrease in cash and cash equivalents	(143,217)	(19,750)	(4,367)	(167,334)
Cash and cash equivalents:				
Beginning of year	313,053	40,697	8,605	362,355
End of year	$ 169,836	$ 20,947	$ 4,238	$ 195,021
Classified as:				
Cash and cash equivalents	$ 81,265	$ 20,947	$ 4,238	$ 106,450
Restricted assets, cash and cash equivalents	88,571	-	-	88,571
	$ 169,836	$ 20,947	$ 4,238	$ 195,021

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (841,933)	$ (1,531,676)	$ (48,483)	$ (2,422,092)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	655,689	295,861	3,610	955,160
(Increase) decrease in:				
Accounts receivable	11,837	5,715	-	17,552
Inventory	(10,218)	-	-	(10,218)
Increase (decrease) in:				
Accounts payable	124,465	15,730	(32)	140,163
Accrued liabilities	(1,983)	(5,350)	(557)	(7,890)
Compensated absences	-	(6,975)	(400)	(7,375)
Due to other funds	(290,535)	(14,429)	(7,732)	(312,696)
Accrued closure/post-closure costs	-	58,759	-	58,759
Customer deposits payable	9,960	-	-	9,960
Net cash used in operating activities	$ (342,718)	$ (1,182,365)	$ (53,594)	$ (1,578,677)

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

MONROE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Private Purpose Trust Fund	
	Veterans' Memorial	Agency Funds
ASSETS		
Cash	$ 5,713	$ 536,593
Taxes receivable	-	11,003,345
Due from others	-	829
Total assets	$ 5,713	$ 11,540,767
LIABILITIES		
Due to others	$ -	$ 537,422
Uncollected taxes	-	11,003,345
Total liabilities	-	$ 11,540,767
NET POSITION		
Held in trust for veterans' memorial	$ 5,713	

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

MONROE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Private Purpose Trust Fund
	Veterans' Memorial
ADDITIONS	
Contributions	$ 605
Interest income	5
Total additions	610
DEDUCTIONS	
Veterans' memorial	78
Total deductions	78
Change in net position	532
Net position, beginning of the year	5,181
Net position, end of the year	$ 5,713

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. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements 14 and 34*, 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 position 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 ***2008 SPLOST Fund*** is a capital projects fund that accounts for revenues received on behalf of the County, the City of Forsyth and the City of Culloden. Financing is provided by a special County one percent sales and use tax.

The ***2014 SPLOST Fund*** is a capital projects fund that accounts for revenues received on behalf of the County, the City of Forsyth and the City of Culloden. Financing is provided by a 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 AAAf 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. Deferred Outflows / Inflows of Resources and Net Position

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* were adopted as of January 1, 2012. These standards established accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County did not have any items that qualify for reporting in this category for the year ended December 31, 2013.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and emergency services and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

J. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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
Building Improvements	5-50
Land Improvements	15-30
Land (landfill)	4-6
Infrastructure	50-60
Intangibles	10
Machinery and Equipment	5-20

K. 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.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts 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 expensed as incurred.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

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

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners 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. The County Commission has not delegated the authority to management to assign fund balance and thus has retained the right to assign fund balance.

- ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

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

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

N. 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 Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 difference are as follows:

Capital leases payable	$ (35,406)
Compensated absences	(567,585)
Claims and judgments payable	(1,436,575)
Bonds payable	(29,039,971)
Accrued interest payable	(86,360)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (31,165,897)

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 position 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 difference are as follows:

Capital outlay	$ 2,399,807
Depreciation expense	(2,942,959)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (543,152)

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 the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this 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 position differs from the change in fund balance by the net book value of the capital assets sold.	$	(279,204)
Donations of capital assets increase net position in the statement of activities, but they do not appear in the governmental funds because they are not financial resources.		682,500
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	403,296

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 position. Also, governmental funds report the effect of 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 difference are as follows:

Principal repayments:		
Bonds payable	$	3,385,000
Capital leases		34,115
Claims and judgments payable		1,026,125
Amortization of premium		405,288
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	4,850,528

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 difference are as follows:

Change in:		
Compensated absences	$	12,630
Accrued interest		(712)
Net pension asset		(242,266)
Net OPEB obligation		(197,399)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(427,747)

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.

Deficit Fund Equity

For the year ended December 31, 2013, the following funds had deficit fund balance or net position:

	Fund Deficit
Special Revenue Funds:	
CDBG Water Grant Fund	$ 37,500
Sheriffs Safe Driving Fund	1,987
Capital Projects Funds:	
2014 SPLOST Fund	616,770
2008 SPLOST Fire Fund	14,535
Proprietary Funds:	
Building Inspection Fund	11,411

Expenditures Exceeding Budget

For the year ended December 31, 2013, expenditures exceeded final amended budgets as follows:

	Excess
General Government	
County Commissioners	$ 340,975
Judicial	
Superior Court	3,290
Public Safety	
Sheriff	178,530
Court Security	63,243
Emergency Services	182,125
Culture and Recreation	
Recreation	77,072

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, 2013, the County's investments in the Georgia Fund 1 were rated AAAf by Standard & Poor's.

At December 31, 2013, the County had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	59 day weighted-average	$ 149,239
Certificates of Deposit	13.24 months weighted-average	86,872
		$ 236,111

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.

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, 2013, $182,753 of deposits were not adequately insured or collateralized, but in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements, such deposits became insured and collateralized within ten (10) business days. Therefore, as of December 31, 2013, 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).

NOTE 5. RECEIVABLES

Receivables at December 31, 2013, consist of the following:

	General Fund	Water Fund	Landfill Fund	Other Governmental Funds	Total
Receivables:					
Taxes	$ 6,889,246	$ -	$ -	$ -	$ 6,889,246
Accounts	1,802,888	184,273	32,217	73,059	2,092,437
Interest	-	-	-	73	73
Gross receivables	8,692,134	184,273	32,217	73,132	8,981,756
Less allowance	(1,417,135)	(87,121)	(17,579)	-	(1,521,835)
Net receivables	$ 7,274,999	$ 97,152	$ 14,638	$ 73,132	$ 7,459,921

Property taxes were levied on August 1, 2013. Bills are payable on or before December 20, 2013, 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 2013 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2013 and collected by February 28, 2014 are recognized as revenues in the year ended December 31, 2013. Net receivables estimated to be collected subsequent to February 28, 2014 are deferred as of December 31, 2013 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 21, 2013.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2013, 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	3,139,857	1,389,252	-	(3,768,096)	761,013
Total	3,754,833	1,389,252	-	(3,768,096)	1,375,989
Capital assets, being depreciated:					
Buildings	12,217,893	-	-	3,768,096	15,985,989
Building improvements	1,404,802	-	-	-	1,404,802
Land improvements	2,336,500	52,173	-	-	2,388,673
Infrastructure	100,192,144	682,500	-	-	100,874,644
Intangibles	74,292	17,720	-	-	92,012
Machinery & equipment	11,927,135	940,662	(439,043)	-	12,428,754
Total	128,152,766	1,693,055	(439,043)	3,768,096	133,174,874
Less accumulated depreciation for:					
Buildings	3,135,158	242,697	-	-	3,377,855
Building improvements	79,901	32,058	-	-	111,959
Land improvements	1,747,212	32,913	-	-	1,780,125
Infrastructure	41,450,694	2,017,207	-	-	43,467,901
Intangibles	17,952	7,570	-	-	25,522
Machinery & equipment	9,771,934	610,514	(159,839)	-	10,222,609
Total	56,202,851	2,942,959	(159,839)	-	58,985,971
Total capital assets, being depreciated, net	71,949,915	(1,249,904)	(279,204)	3,768,096	74,188,903
Governmental activities capital assets, net	$ 75,704,748	$ 139,348	$ (279,204)	$ -	$ 75,564,892

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	12,902	2,679,287	-	-	2,692,189
Total	352,599	2,679,287	-	-	3,031,886
Capital assets, being depreciated:					
Land (landfill)	3,882,519	-	-	-	3,882,519
Buildings	765,295	-	-	-	765,295
Improvements	1,092,514	-	-	-	1,092,514
Infrastructure	34,043,038	-	-	-	34,043,038
Machinery & equipment	3,172,929	16,196	-	-	3,189,125
Total	42,956,295	16,196	-	-	42,972,491
Less accumulated depreciation for:					
Land (landfill)	3,462,035	91,683	-	-	3,553,718
Buildings	81,978	16,303	-	-	98,281
Improvements	650,500	54,626	-	-	705,126
Infrastructure	5,204,056	605,348	-	-	5,809,404
Machinery & equipment	1,531,476	187,200	-	-	1,718,676
Total	10,930,045	955,160	-	-	11,885,205
Total capital assets, being depreciated, net	32,026,250	(938,964)	-	-	31,087,286
Business-type activities capital assets, net	$ 32,378,849	$ 1,740,323	$ -	$ -	$ 34,119,172

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	$ 79,130
Judicial	6,703
Public safety	508,075
Public works	2,256,322
Health and welfare	12,693
Culture and recreation	77,860
Housing and development	2,176
Total depreciation expense - governmental activities	$ 2,942,959
Business-type activities:	
Water Fund	$ 655,689
Landfill	295,861
Business Inspection	3,610
Total depreciation expense - business-type activities	$ 955,160

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,938,290	$ 3,300	$ -	$ -	$ 1,941,590
Improvements	398,913	-	-	(398,913)	-
Total	2,337,203	3,300	-	(398,913)	1,941,590
Capital assets, being depreciated:					
Improvements	-	-	-	398,913	398,913
Total	-	-	-	398,913	398,913
Less accumulated depreciation for:					
Improvements	-	19,946	-	-	19,946
Total	-	19,946	-	-	19,946
Total capital assets, being depreciated, net	-	(19,946)	-	398,913	378,967
Development Authority capital assets, net	$ 2,337,203	$ (16,646)	$ -	$ -	$ 2,320,557

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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 30,530,000	$ -	$ (3,385,000)	$ 27,145,000	$ 3,175,000
Plus unamortized premium	2,300,259	-	(405,288)	1,894,971	-
General obligation bonds, net	32,830,259	-	(3,790,288)	29,039,971	3,175,000
Capital leases	69,521	-	(34,115)	35,406	35,406
Compensated absences	580,215	299,723	(312,353)	567,585	227,034
Claims and judgments	2,462,700	-	(1,026,125)	1,436,575	1,231,350
Net OPEB obligation	885,529	258,891	(61,491)	1,082,929	-
Governmental activities Long-term liabilities	$ 36,828,224	$ 558,614	$ (5,224,372)	$ 32,162,466	$ 4,668,790
Business-type activities:					
Landfill closure and postclosure costs	$ 982,349	$ 58,759	$ -	$ 1,041,108	$ -
Compensated absences	71,383	40,773	(48,148)	64,008	46,630
Business-type activities Long-term liabilities	$ 1,053,732	$ 99,532	$ (48,148)	$ 1,105,116	$ 46,630

For governmental activities, compensated absences and claims and judgments 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, 2013 is $194,000.

Claims and Judgments. Both in the current and prior year, the Georgia Department of Revenue determined there was an overpayment in the amount paid to the County for sales tax by a large commercial taxpayer. In order to recover the overpayment, the taxpayer will withhold a portion of the overpayment each month through 2015.

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,	
2014	$ 36,743
Total minimum lease payments	36,743
Less amount representing interest	(1,337)
Present value of future minimum lease payments	$ 35,406

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, 2013 was $1,775,000.

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, 2013 was $2,735,000.

During the year ended December 31, 2012, the Monroe County Public Facilities Authority issued Revenue Bonds, Series 2012A in the amount of $12,650,000. The bonds bear interest of 3.0 to 4.0% with final maturity in 2019. Proceeds of the bonds will be used for the purpose of financing 1) improvements and extensions to the County's water system, 2) improving and equipping the County's recreation facilities, 3) upgrading the County's emergency 911 radio system, 4) improving and equipping the County's library, 5) purchasing heavy equipment for the County's road department, and 6) improving and extending the water facilities of the City of Forsyth and the City of Culloden. The outstanding balance of the 2012 Series A general obligation bonds as of December 31, 2013 was $12,650,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued). During the year ended December 31, 2012, Monroe County Public Facilities Authority also issued Revenue Refunding Bonds, Series 2012B in the amount of $9,985,000. The bonds bear interest of 2.0 to 4.0% with final maturity in 2026. Proceeds of the bonds will be used for the purpose of refunding all of the outstanding Development Authority of Monroe County Revenue Refunding and Improvement Bonds (Water and Sewerage Project), Series 2003A. The outstanding balance of the 2012 Series B general obligation bonds as of December 31, 2013 was $9,985,000.

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 2012 series bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County pursuant to an intergovernmental contract between the Public Facilities Authority and the County. The County's obligation under the contracts 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, 2013:

Year ending December 31,	Principal	Interest	Total
2014	$ 3,175,000	$ 845,292	$ 4,020,292
2015	2,555,000	795,940	3,350,940
2016	3,290,000	720,065	4,010,065
2017	3,400,000	603,540	4,003,540
2018	3,530,000	481,927	4,011,927
2019-2023	6,930,000	1,055,825	7,985,825
2024-2028	4,265,000	374,745	4,639,745
	$ 27,145,000	$ 4,877,334	$ 32,022,334

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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 (2058), 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 $1,041,108 at December 31, 2013, represents the cumulative amount reported to date based on the use of 23.6% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $3,366,236 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, 2013 for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2013 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	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
Oglethorpe Power Corporation	April 2, 2012	10,055,000
Georgia Power Company	May 21, 2012	48,720,000
Georgia Power Company	March 21 2013	17,500,000
Oglethorpe Power Corporation	April 17, 2013	57,665,000
		$ 620,330,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

	Receivable Funds				
Payable Funds	General Fund	Public Facilities Auth. Fund	2008 SPLOST Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ 94,559	$ 94,559
Public Facilities Authority Fund	19,000	275,716	311,667	1,756,670	2,363,053
2008 SPLOST Fund	-	-	-	2,080,782	2,080,782
2014 SPLOST Fund	-	-	-	451,490	451,490
Water Fund	81,065	-	-	30,000	111,065
Landfill Fund	20,947	-	-	-	20,947
Nonmajor Governmental Funds	1,202,910	-	-	557,023	1,759,933
Nonmajor Enterprise Fund	1,050	-	-	-	1,050
Total	$ 1,324,972	$ 275,716	$ 311,667	$ 4,970,524	$ 6,882,879

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 Out				
Transfers In	General Fund	Public Facilities Auth. Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total
Public Facilities Authority	$ 315,490	$ -	$ -	$ 107,320	$ 422,810
2014 SPLOST Fund	-	2,412,064	-	-	2,412,064
Water Fund	319,668	-	2,275,963	283,178	2,878,809
Landfill Fund	135,656	-	-	-	135,656
Nonmajor Governmental Funds	1,177,251	-	-	-	1,177,251
Nonmajor Enterprise Funds	49,212	-	-	-	49,212
Total	$ 1,997,277	$ 2,412,064	$ 2,275,963	$ 390,498	$ 7,075,802

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, 2013, the County paid $22,501 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, 2013, (the most recent actuarial valuation date) are as follows:

	January 1, 2013
Derivation of Annual Pension Cost	
Annual Required Contribution	$ 1,399,777
Interest on Net Pension Obligation	(3,131)
Amortization of Net Pension Obligation	3,350
Annual Pension Cost	$ 1,399,996
Derivation of Net Pension Obligation	
Annual Pension Cost for Prior Year	$ 1,242,266
Actual Contributions to Plan for Prior Year	(1,000,000)
Increase in Net Pension Obligation (Asset)	242,266
Net Pension Obligation (Asset) as of Beginning of Prior Year	(282,666)
Net Pension Obligation (Asset) as of Beginning of the Year	$ (40,400)
Basis of Valuation	
Current Valuation Date	January 1, 2013
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)
1/1/13	$ 1,399,996	$ N/A	N/A %	$ (40,400)
1/1/12	1,242,266	1,000,000	80	(282,666)
1/1/11	1,251,384	1,309,955	105	(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

As of the most recent valuation date, January 1, 2013, 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
12/31/12	$ 15,389,493	$ 20,639,639	$ 5,250,146	74.6 %	$ 7,323,095	71.7 %

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 position 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, 2013.

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, 2013. 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, 2013. 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 2013, the net cost of premiums for providing post-retirement benefits for retirees was $61,492.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of January 1, 2012.

Active members	233
Retired members	4
	237

Contributions

The County contributed $61,492 to the OPEB Health Care Plan in fiscal year 2013. 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, 2012
Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 257,633
Interest on Net OPEB Obligation	28,122
Amortization of Net OPEB Obligation	(26,865)
Annual OPEB Cost	$ 258,890
Derivation of Net OPEB Obligation	
Net OPEB Obligation (Asset) as of Beginning of Year	$ 885,529
Annual OPEB Cost for Year	258,890
Actual Contributions to Plan for Current Year	(61,491)
Increase in Net OPEB Obligation (Asset)	197,399
Net OPEB Obligation (Asset) as of End of the Year	$ 1,082,928

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
1/1/13	$ 258,890	$ 61,491	24 %	$ 1,082,928
1/1/12	258,890	76,417	30	885,529
1/1/11	215,845	23,265	11	703,056
1/1/10	215,845	17,875	8	510,476

As of the most recent valuation date, January 1, 2012, 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
01/01/12	$ -	$ 2,641,785	$ 2,641,785	- %	$ 7,777,467	34.0 %

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 position 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, 2012. The assumptions used in the January 1, 2012 actuarial valuation are as follows:

Basis of Valuation	
Current Valuation Date	January 1, 2012
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	9.5% - 5.0%
Year of Ultimate Medical Cost Trend Rate	2018
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 at December 31, 2013 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, 2013 and 2012, respectively, are as follows:

	December 31, 2013	December 31, 2012
Unpaid claims, beginning of fiscal year	$ 175,500	$ 191,000
Incurred claims	2,260,829	2,345,806
Claims Paid	2,191,029	(2,361,306)
Unpaid claims, end of fiscal year	$ 245,300	$ 175,500

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, 2013, the County has contractual commitments on uncompleted construction contracts of approximately $499,000 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.

NOTE 14. SUBSEQUENT EVENT – TAX ANTICIPATION NOTE

On July 22, 2014, the Board of Commissioners approved a resolution authorizing a tax anticipation note for the borrowing of up to $2,000,000 at an interest rate of 0.70%. The note is due December 31, 2014.

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
12/31/12	$ 15,389,493	$ 20,639,639	$ 5,250,146	74.6 %	$ 7,323,095	71.7 %
12/31/11	14,406,940	19,429,685	5,022,745	74.1	7,212,626	69.6
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

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
01/01/12	$ -	$ 2,641,785	$ 2,641,785	- %	$ 7,777,467	34.0 %
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.

CDBG Water Grant Fund – To account for the receipt and expenditures of monies received from community development block grant for improvements to the County's water system.

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.

Water Capital Fund – To account 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.

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.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
ASSETS			
Cash	$ 806,709	$ 1,934,853	$ 2,741,562
Investments	86,684	-	86,684
Accounts receivable	73,059	-	73,059
Interest receivable	73	-	73
Due from other governments	23,219	-	23,219
Due from other funds	-	4,970,524	4,970,524
Total assets	$ 989,744	$ 6,905,377	$ 7,895,121
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 51,946	$ 162,006	$ 213,952
Accrued liabilities	39,898	-	39,898
Due to other funds	179,280	1,580,653	1,759,933
Total liabilities	271,124	1,742,659	2,013,783
FUND BALANCES			
Restricted for:			
Judicial	392,936	-	392,936
Public safety	288,792	-	288,792
Capital projects	-	5,162,718	5,162,718
Assigned for:			
Culture and recreation	76,379	-	76,379
Unassigned	(39,487)	-	(39,487)
Total fund balances	718,620	5,162,718	5,881,338
Total liabilities and fund balances	$ 989,744	$ 6,905,377	$ 7,895,121

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
Revenues:			
Sales tax	$ -	$ 3,338,530	$ 3,338,530
Intergovernmental	370,966	-	370,966
Fines and forfeitures	407,625	-	407,625
Charges for services	473,783	-	473,783
Interest income	979	2,509	3,488
Contributions	11,508	-	11,508
Miscellaneous	1,694	-	1,694
Total revenues	1,266,555	3,341,039	4,607,594
Expenditures:			
Current:			
Judicial	22,952	-	22,952
Public safety	1,295,927	-	1,295,927
Public works	47,500	-	47,500
Health and welfare	-	697,003	697,003
Culture and recreation	12,723	-	12,723
Capital outlay	-	2,570,579	2,570,579
Total expenditures	1,379,102	3,267,582	4,646,684
Excess (deficiency) of revenues over (under) expenditures	(112,547)	73,457	(39,090)
Other financing sources (uses):			
Transfers in	489,134	688,117	1,177,251
Transfers out	(283,178)	(107,320)	(390,498)
Total other financing sources (uses)	205,956	580,797	786,753
Net change in fund balances	93,409	654,254	747,663
Fund balances, beginning of year	625,211	4,508,464	5,133,675
Fund balances, end of year	$ 718,620	$ 5,162,718	$ 5,881,338

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2013

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
ASSETS					
Cash	$ 19,699	$ 6,565	$ 12,858	$ 207,785	$ 28,561
Investments	56,615	-	30,069	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	65	-	8	-	-
Due from other governments	-	-	-	2,501	-
Total assets	$ 76,379	$ 6,565	$ 42,935	$ 210,286	$ 28,561
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 9,273	$ -
Accrued liabilities	-	-	-	-	1,578
Due to other funds	-	-	-	19,294	11,387
Total liabilities	-	-	-	28,567	12,965
FUND BALANCES (DEFICIT)					
Restricted for:					
Judicial	-	-	42,935	-	-
Public safety	-	6,565	-	181,719	15,596
Assigned for:					
Culture and recreation	76,379	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	76,379	6,565	42,935	181,719	15,596
Total liabilities and fund balances	$ 76,379	$ 6,565	$ 42,935	$ 210,286	$ 28,561

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Total Special Revenue Funds
$ 35,992	$ 413,001	$ 50,441	$ 1,000	$ 422	$ 29,523	$ 862	$ 806,709
-	-	-	-	-	-	-	86,684
73,059	-	-	-	-	-	-	73,059
-	-	-	-	-	-	-	73
-	1,260	-	19,458	-	-	-	23,219
$ 109,051	$ 414,261	$ 50,441	$ 20,458	$ 422	$ 29,523	$ 862	$ 989,744
$ 13,874	$ 4,725	$ -	$ 19,458	$ -	$ 4,616	$ -	$ 51,946
32,583	5,737	-	-	-	-	-	39,898
35,992	53,798	600	38,500	104	16,756	2,849	179,280
82,449	64,260	600	57,958	104	21,372	2,849	271,124
-	350,001	-	-	-	-	-	392,936
26,602	-	49,841	-	318	8,151	-	288,792
-	-	-	-	-	-	-	76,379
-	-	-	(37,500)	-	-	(1,987)	(39,487)
26,602	350,001	49,841	(37,500)	318	8,151	(1,987)	718,620
$ 109,051	$ 414,261	$ 50,441	$ 20,458	$ 422	$ 29,523	$ 862	$ 989,744

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	5,012	1,630	24,481	191,694	43,713
Charges for services	4,698	-	-	-	-
Interest income	214	9	46	280	28
Contributions	9,958	-	-	-	-
Miscellaneous	2,964	-	-	-	-
Total revenues	22,846	1,639	24,527	191,974	43,741
Expenditures:					
Current:					
Judicial	-	-	22,952	-	-
Public safety	-	2,375	-	171,080	39,791
Public works	-	-	-	-	-
Culture and recreation	12,723	-	-	-	-
Total expenditures	12,723	2,375	22,952	171,080	39,791
Excess (deficiency) of revenues over (under) expenditures	10,123	(736)	1,575	20,894	3,950
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	10,123	(736)	1,575	20,894	3,950
Fund balances (deficit) , beginning of year	66,256	7,301	41,360	160,825	11,646
Fund balances (deficit), end of year	$ 76,379	$ 6,565	$ 42,935	$ 181,719	$ 15,596

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Total Special Revenue Funds
$ -	$ 56,726	$ -	$ 293,178	$ -	$ 21,062	$ -	$ 370,966
-	93,987	47,108	-	-	-	-	407,625
469,085	-	-	-	-	-	-	473,783
124	199	57	-	-	20	2	979
-	-	-	-	-	-	1,550	11,508
-	(1,270)	-	-	-	-	-	1,694
469,209	149,642	47,165	293,178	-	21,082	1,552	1,266,555
-	-	-	-	-	-	-	22,952
897,798	160,966	6,049	-	-	13,701	4,167	1,295,927
-	-	-	47,500	-	-	-	47,500
-	-	-	-	-	-	-	12,723
897,798	160,966	6,049	47,500	-	13,701	4,167	1,379,102
(428,589)	(11,324)	41,116	245,678	-	7,381	(2,615)	(112,547)
489,134	-	-	-	-	-	-	489,134
-	-	-	(283,178)	-	-	-	(283,178)
489,134	-	-	(283,178)	-	-	-	205,956
60,545	(11,324)	41,116	(37,500)	-	7,381	(2,615)	93,409
(33,943)	361,325	8,725	-	318	770	628	625,211
$ 26,602	$ 350,001	$ 49,841	$ (37,500)	$ 318	$ 8,151	$ (1,987)	$ 718,620

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2013

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
ASSETS					
Cash	$ 1,267,190	$ 74,464	$ 1,006	$ 418,155	$ 1,004
Due from other funds	2,155,958	-	278,350	-	56,702
Total assets	$ 3,423,148	$ 74,464	$ 279,356	$ 418,155	$ 57,706
LIABILITIES AND FUND BALANCES					
Accounts payable	$ -	$ -	$ -	$ 158,728	$ 2,128
Due to other funds	57,935	88,999	241,940	251,021	12,878
Total liabilities	57,935	88,999	241,940	409,749	15,006
FUND BALANCES (DEFICIT)					
Restricted for:					
Capital projects	3,365,213	(14,535)	37,416	8,406	42,700
Total fund balances (deficit)	3,365,213	(14,535)	37,416	8,406	42,700
Total liabilities and fund balances (deficit)	$ 3,423,148	$ 74,464	$ 279,356	$ 418,155	$ 57,706

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 26,272	$ 112,212	$ 12,299	$ 22,251	$ 1,934,853
369,981	710,820	261,001	1,137,712	4,970,524
$ 396,253	$ 823,032	$ 273,300	$ 1,159,963	$ 6,905,377
$ -	$ -	$ 1,150	$ -	$ 162,006
306,658	281,703	241,737	97,782	1,580,653
306,658	281,703	242,887	97,782	1,742,659
89,595	541,329	30,413	1,062,181	5,162,718
89,595	541,329	30,413	1,062,181	5,162,718
$ 396,253	$ 823,032	$ 273,300	$ 1,159,963	$ 6,905,377

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
Revenues:					
Sales tax	$ 1,682,432	$ -	$ 74,776	$ 53,375	$ 74,776
Interest income	2,034	37	71	-	42
Total revenues	1,684,466	37	74,847	53,375	74,818
Expenditures:					
Current:					
Health and welfare	-	-	-	-	-
Capital outlay	745,896	88,599	164,403	460,830	135,334
Total expenditures	745,896	88,599	164,403	460,830	135,334
Excess (deficiency) of revenues over (under) expenditures	938,570	(88,562)	(89,556)	(407,455)	(60,516)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(11,491)	(4,275)	-
Total other financing sources (uses)	-	-	(11,491)	(4,275)	-
Net change in fund balances	938,570	(88,562)	(101,047)	(411,730)	(60,516)
Fund balances (deficit), beginning of year	2,426,643	74,027	138,463	420,136	103,216
Fund balances (deficit), end of year	$ 3,365,213	$ (14,535)	$ 37,416	$ 8,406	$ 42,700

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 48,057	$ 571,900	$ 373,878	$ 459,336	$ 3,338,530
178	-	-	147	2,509
48,235	571,900	373,878	459,483	3,341,039
-	-	-	697,003	697,003
122,972	3,419	849,126	-	2,570,579
122,972	3,419	849,126	697,003	3,267,582
(74,737)	568,481	(475,248)	(237,520)	73,457
-	-	688,117	-	688,117
(11,370)	(15,935)	(24,967)	(39,282)	(107,320)
(11,370)	(15,935)	663,150	(39,282)	580,797
(86,107)	552,546	187,902	(276,802)	654,254
175,702	(11,217)	(157,489)	1,338,983	4,508,464
$ 89,595	$ 541,329	$ 30,413	$ 1,062,181	$ 5,162,718

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1997 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Project Description	Original and Revised Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Fire Department Capital Improvements	$ 500,000	$ 433,489	$ 66,511	$ 500,000
Youth Center Facility	600,000	600,000	-	600,000
Courthouse Capital Improvements	250,000	250,000	-	250,000
Total	$ 1,350,000	$ 1,283,489	$ 66,511	$ 1,350,000

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2003 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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	130,805	-	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	$ 18,081,641	$ -	$ 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, 2013

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Facilities and Equipment	$ 700,000	$ 437,048	$ 175,894	$ 612,942
Administrative Facility and Equipment	3,500,000	3,288,818	185,976	3,474,794
Patrol Vehicles	700,000	375,051	135,334	510,385
Emergency Services Equipment	450,000	227,000	156,430	383,430
Public Safety Facility and Equipment	500,000	27,614	465,105	492,719
Roads, Streets, and Bridges	8,000,000	4,317,293	745,896	5,063,189
Construction of Water and Sewer Lines	5,354,000	4,826,098	19,354	4,845,452
Hospital Capital Improvements	4,300,000	2,477,237	736,285	3,213,522
City of Forsyth	4,200,000	3,769,341	740,651	4,509,992
City of Culloden	500,000	445,838	54,139	499,977
Total	$ 28,204,000	$ 20,191,338	$ 3,415,064	$ 23,606,402

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, Streets, Bridges	$ 7,000,000	$ -	$ -	$ -
Construction of Water and Sewer Lines	7,000,000	-	2,275,963	2,275,963
Patrol Vehicles	800,000	-	2,600	2,600
Emergency Services Equipment	1,500,000	-	-	-
Recreation Facilities and Equipment	2,500,000	-	142,422	142,422
Hospital Capital Improvements	1,000,000	-	-	-
Emergency 911 Radio System Upgrade	3,100,000	-	-	-
Library Facilities and Equipment	150,000	-	-	-
Road Department Heavy Equipment	1,250,000	490,278	131,734	622,012
Civic Center Facilities and Equipment	1,200,000	-	-	-
City of Forsyth	4,600,000	-	-	-
City of Culloden	550,000	-	-	-
Total	$ 30,650,000	$ 490,278	$ 2,552,719	$ 3,042,997

Note: Included in the above expenditures are transfers to the Water Fund in the amount of $2,275,963 which were used to construct and improve existing water lines that are accounted for in the Water Fund.

Reconciliation of SPLOST schedules to financial statements:

Total of all SPLOST schedules or expenditures	$ 6,034,294
Expenditures - 2008 SPLOST Fund	$ 794,790
Transfers in - 2008 SPLOST Fund	-
Transfers out - 2008 SPLOST Fund	-
Expenditures - 2014 SPLOST Fund	276,756
Transfers in - 2014 SPLOST Fund	-
Transfers out - 2014 SPLOST Fund	2,275,963
Expenditures - Water Capital Fund	-
Transfers out - Water Capital Fund	-
Expenditures - nonmajor SPLOST funds	3,267,582
Transfers in - nonmajor SPLOST funds	(688,117)
Transfers out - nonmajor SPLOST funds	107,320
	$ 6,034,294

Note: Bonds used to forward fund SPLOST projects were issued by the Public Facilities Authority (PFA). Transfers from SPLOST funds to the PFA are used to pay interest payments on the bonds as they mature.

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, 2013

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 65,570	$ 109,967	$ 131,634	$ 27,646	$ 201,776	$ 536,593
Taxes receivable	11,003,345	-	-	-	-	11,003,345
Due from others	-	-	-	-	829	829
Total assets	$ 11,068,915	$ 109,967	$ 131,634	$ 27,646	$ 202,605	$ 11,540,767
LIABILITIES						
Due to others	$ 65,570	$ 109,967	$ 131,634	$ 27,646	$ 202,605	$ 537,422
Uncollected taxes	11,003,345	-	-	-	-	11,003,345
Total liabilities	$ 11,068,915	$ 109,967	$ 131,634	$ 27,646	$ 202,605	$ 11,540,767

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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Monroe County, Georgia's basic financial statements, and have issued our report thereon dated December 19, 2014. Our report includes a reference to other auditors who 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
In planning and performing our audit of the financial statements, we considered Monroe County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Georgia's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2013-001 through 2013-007 to be material weaknesses.

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 deficiencies described in the accompanying schedule of findings and responses as item 2013-008 and 2013-009 to be significant deficiencies.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Monroe County, Georgia's Responses to Findings

Monroe County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Monroe County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 19, 2014

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs as of December 31, 2013 due to the total amount expended being less than $500,000.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-001 General Accounting Matters

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives.

Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: An inordinate amount of accounting, reporting and reconciling was not properly performed and reviewed during the fiscal year which required a Herculean effort to close the County's 2013 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed December 31, 2013. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to properly maintain general ledgers, subsidiary ledgers, reconciliations; and,
- to close-out and report activities, events and transactions on a periodic basis.

The County's Board of Commissioners is responsible for approximately $30,000,000 of operations captured and reflected in twenty-nine (29) separate general ledgers ranging from the General Fund, special revenue funds, capital projects funds, enterprise funds and a private purpose trust fund.

The timing of performing audit procedures was substantial evidence of the lack of timely reporting, reconciling and reviewing of accounting efforts. Please consider the following:

- As planned with management, we attempted to begin the fiscal year 2013 financial and compliance audit of the County on March 31, 2014.
- As requested by management, the above date was changed to be a start date of April 21, 2014 at which time we received eight (8) working trial balances summarizing the respective general ledgers.
- Over a period of months, we received a few more closed out general ledgers, but not the most important or significant general ledgers or trial balances.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-001 General Accounting Matters (Continued)

- We received the general ledgers of the General Fund, the Water Fund, and the 2014 SPLOST Fund on August 5, 2014 followed by the Library Fund and the Public Facilities Authority Fund, which were received August 14, 2014.
- We received capacity reports for the landfill operations on August 20, 2014.
- We received emergency services receivables details and spreadsheets along with compensated absences and accrued payroll documentation on August 21, 2014.
- Bank reconciliations as of December 31, 2013 for the Library Fund were received on October 13, 2014.
- The budget for the General Fund (which is required for the financial statements / reports) was received on October 27, 2014.
- Support for the testing of several journal entries as well as lag information for the self-insurance healthcare activities of the County were never received, for which we ultimately determined the need for audit closure was more important than waiting on the requested information.

As part of the delay, we noted the untimely performance of reconciliations of subsidiary details to the respective general ledgers. Additionally, we noted certain errors to the respective reconciliations. Such reconciliations included accounts such as cash, receivables, payables, accruals, revenues, general expenditures and capital expenditures.

To further complicate the above thoughts, we consistently noted the lack of a separation of duties relative to the preparation and review of certain reconciliations, subsidiary ledgers and the general ledgers. Specifically, the Board of Commissioners office, due to a lack of trained and experienced personnel, currently appears to have primarily one (1) person who prepares and reviews and maintains most accounts and ledgers resulting in a lack of proper segregation of duties.

We believe it important to note that we observed a genuine interest by the County's accounting personnel in their desire to learn and assume greater responsibilities for the County's accounting and financial reporting.

Context: We addressed this matter with County officials, who were able to ultimately determine the propriety of all respective details and reconciliations as of and for the year ended December 31, 2013.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-001 General Accounting Matters (Continued)

Effect: The ultimate effect of the above condition is:

- A significantly delayed conclusion to the 2013 fiscal year financial reporting process; and,
- The potential for errors and irregularities to occur and not be detected and corrected in a timely manner; and,
- The lack of reliable information for Commissioners and other interested parties to use when setting the millage rate or adopting budgets.

Recommendation: We recommend the County consider a variety of options to addressing the above condition. In no particular order, the County needs to look at the respective staffing of accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The County also needs to consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities.

We further recommend the County consider reinvesting in its accounting personnel by providing better technical education and training via participation in continuing education governmental accounting and financial reporting programs which are constantly available in the general geographic area of the County. Once certain levels of technical proficiency are observed by management, we further encourage the County to better cross-train the accounting personnel in an effort to make the accounting function a stronger and more capable accounting and finance department.

As a final recommendation, we recommend the County consider re-engineering the accounting processes with a goal of mitigating all concerns relative to a lack of segregation of duties, and the concentrating of most accounting efforts through one (1) individual.

Views of Responsible Officials and Planned Corrective Action: We agree the County had issues with the ways tasks were being performed. We have had little turn over in a short amount of time. We have hired new personnel and assigned and reassigned duties. We are currently providing continuing education and recognize the importance of such governmental finances. With the assistance of the Board of Commissioners, our goal is to address all matters noted by being proactive with evaluating our personnel and placing each of them in the most cost-effective roles.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-002 Revenue Cycle Transactions (Repeat Finding)

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 accounts receivable and revenue accounts during the year ended December 31, 2013.

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, 2013.

Effect: The following audit adjustments were required for the year ending December 31, 2013:

- Entries relative to property taxes to the General Fund resulting in a $4,008,425 decrease in fund balance;
- Entries relative to Emergency Services to the General Fund resulting in a $253,227 increase in fund balance.
- Entries relative to the 2014 SPLOST Fund resulting in a $14,163 increase in fund balance.
- Entries relative to the grant revenue to the CDBG Water Grant Fund resulting in a $19,458 increase in fund balance.
- Entries relative to administration fees to the Development Authority resulting in a $17,500 increase in accounts receivable and unearned revenue.

Recommendation: We recommend the County begin recognizing and recording all necessary revenue adjustments at the end of each financial reporting cycle. Additionally, it is important for the County to consider the timeframes associated with the levy of taxes and the receipt of taxes for purposes of determining the appropriate level of unavailable property taxes as of the end of the respective fiscal year.

Views of Responsible Officials and Planned Corrective Action: We agree the County failed to appropriately recognize all the receivables and revenues in the General Fund. The transactions for property tax receivable and revenue was not adjusted correctly at year end. We plan to begin recognizing and recording all necessary revenue and receivable at the end of each year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-003 Management of Due To / From and Transfer (Internal) Accounts (Repeat Finding)

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the County.

Condition: During fiscal year 2013, the County did not properly account for and use due to/due from accounts and transfers in conjunction with the operations of the County.

Context: We addressed this matter with County officials, who were able to determine the appropriate adjustments so as to properly state the balance of due to/due from and interfund transfer accounts at December 31, 2013.

Effect: The following audit adjustments were required for the year ending December 31, 2013:

- Entries to the General Fund resulting in a $297,456 decrease in fund balance;
- Entries to the 2014 SPLOST Fund resulting in a $2,394,761 increase in fund balance;
- Entries to the Public Facilities Authority resulting in a $2,412,064 decrease in fund balance;
- Entries to the Water Fund resulting in a $2,559,141 increase in net position.

Recommendation: We recommend that all interfund activity be properly recorded through the due to/due from and transfer accounts as appropriate, and all interfund accounts be reconciled on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We agree the County failed to properly manage the Due To/ From and Transfers (Internal) Accounts. We will properly record the due to/ due from and transfer activity appropriately. Also, we will balance the interfund accounts on a monthly basis.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-004 Accounting for Accounts Payable and Expenditures

Criteria: Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of related cash flows.

Condition: The County did not appropriately record all transactions involving the payable and expenditures related to bond interest and grant expenditures.

Context: We addressed this matter with County officials, who were able to determine the appropriate adjustments so as to properly state the balance of accounts payable and expenditure accounts at December 31, 2013.

Effect: The following audit adjustments were required for the year ending December 31, 2013:

- Entries to the Public Facilities Authority Fund resulting in a $575,358 decrease in fund balance;
- Entries to the CDBG Water Fund resulting in a $19,458 decrease in fund balance;
- Entries to the Landfill Fund resulting in a $84,791 increase in net position;
- Entries to the Development Authority resulting in a $19,946 decrease in net position.

Recommendation: We recommend the County record the necessary adjustments to properly reflect the payable and expenditure balances.

Views of Responsible Officials and Planned Corrective Action: We agree the County failed to properly record all transactions involving the payable and expenditures related to bond interest and grant expenditures. The inappropriate grant expenditures and bond interest were an oversight. In the future all grant expenditures will be recorded when the good is received or service performed. Bond interest will be recorded when it is earned.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-005 Journal Entries

Criteria: Internal controls should be in place to provide reasonable assurance that all journal entries recorded to the respective general ledgers be adequately and properly reviewed, entered and documented for propriety and correctness.

Condition: As part of the audit process, we sampled the journal entries recorded by the County during fiscal year 2013. Our sample results noted a lack of documentation as to the appropriateness of certain journal entries as well as evidence of a proper and adequate review.

Context: We attempted to make an examination of journal entries and other adjustments in an effort to determine the risk of management's override of internal controls. We obtained a list of journal entries recorded by management during fiscal year 2013. Using software tools available to us, we randomly selected twenty-five (25) journal entries to determine if such entries had been properly reviewed, entered and documented. The documentation supporting five (5) journal entries in our sample were not provided to us during the course of our audit efforts.

Effect: Journal entries represent a form of management override for which errors or irregularities can occur if not properly reviewed, entered and documented in a timely manner. Untimely efforts of such attributes provide for the possible opportunity for errors or irregularities to occur and not be detected in a timely manner.

Recommendation: We recommend the County implement controls over the recording of journal entries to ensure all journal entries are properly prepared, recorded and approved in a timely manner.

Views of Responsible Officials and Planned Corrective Action: We agree there was a lack of documentation as to the appropriateness of certain journal entries as well as evidence of a proper and adequate review. We are working on keeping all journal entries in one central location. Also, we are working on cross training our employees so all entries can be reviewed and signed off on after proper review.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-006 Accounting for Cash Transactions and Reconciliation of Bank Accounts

Criteria: Internal controls should be in place to provide reasonable assurance that cash receipts and disbursements are recorded in the proper account.

Condition: The County did not appropriately record cash receipts and disbursements in the correct cash accounts.

Context: We addressed this matter with County officials, who were able to determine the appropriate adjustments so as to properly state the balance of cash accounts at December 31, 2013.

Effect: Bank accounts in the Public Facilities Authority were not reconciled in a timely manner resulting in adjustments and reclassifications totaling $3,803,950. Untimely reconciliations allow for the opportunity for errors and fraudulent transactions to occur and not be detected in a timely manner.

Recommendation: We recommend the County implement controls over the recording of cash transactions and bank account reconciliations to ensure all transactions are properly recorded and bank accounts are reconciled in a timely manner.

Views of Responsible Officials and Planned Corrective Action: We agree the County did not appropriately record cash receipts and disbursements in the correct cash accounts in regard to the Public Facility Authority. We plan to implement controls over the recording of cash and transactions and bank account reconciliation to ensure all transactions are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-007 Accounting for Interfund Transactions

Criteria:	Internal control should be in place to provide reasonable assurance that interfund transactions are properly recorded.
Condition:	The County did not record interfund transactions in the correct interfund accounts.
Context:	We addressed this matter with County officials, who were able to determine the appropriate adjustments so as to properly state the interfund account balances at December 31, 2013.
Effect:	Interfund transactions were not recorded in the proper accounts resulting in adjustments and reclassifications totaling $1,756,048.
Recommendation:	We recommend the County implement controls over the recording of interfund transactions to ensure all transactions are properly recorded.
Views of Responsible Officials and Planned Corrective Action:	We agree some interfund transactions were not recorded in the proper fund. The County will implement controls over the recording and interfund transactions to ensure all transactions are made properly. Once we also implement the reviewing of all work, these mishaps should dissolve.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-008 Segregation of Duties - Cash Receipting Function at the Tax Commissioner's Office

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

Condition: There was not appropriate segregation of duties in regard to the preparation, supervision and review of cash receipts and credits recorded by cashiers of the Tax Commissioner's Office.

Context: An impropriety occurred whereby a former Tax Commissioner's Office cashier committed fiduciary theft by embezzling certain funds via property tax payments received in cash. This individual was recording credits to the computerized system and cash drawer for property tax amounts paid via cash.

Effect: Failure to properly prepare, supervise and review credits recorded to the system against cash receipts can and did lead to misappropriation of funds which was not detected in a timely manner during the normal course of business.

Cause: This situation was created due to an improper internal control methodology relative to the receipting function for cash payments for property taxes.

Recommendation: Cashiers should not be able to record cash credits against individual property tax records without adequate and proper review and supervision by the Tax Commissioner or Deputy Tax Commissioner.

Views of Responsible Officials and Planned Corrective Action: We agree there is a lack of segregation of duties in the Tax Commissioners Office in regard to the preparation, supervision and review of cash receipts and credits recorded by cashiers. Only the Tax Commissioner and Chief Deputy Tax Commissioner are allowed to issue credits. We are in the process of reviewing and redistributing the work of each employee in order to better manage internal controls and properly segregate duties to provide reasonable assurance that individuals cannot misappropriate funds without being detected during the normal course of business.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013-009 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding)

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, Magistrate Court, 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 primarily due to the limited number of individuals in each office available to perform all of the duties.
Recommendation:	We recommend the duties of recording, distribution, and reconciliation of accounts be segregated among employees.
Views of Responsible Officials and Planned Corrective Action:	We agree there is a lack of segregation of duties in the offices of the Magistrate Court, Water Department and Probate Court due to the limited number of individuals in each office. We have made changes in the Water Department, including new management, that will alleviate and provide reasonable assurance that individuals cannot misappropriate funds. We are reviewing the practices in the Magistrate and Probate Court to provide reasonable assurance that an individual cannot misappropriate funds.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

2012-1 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, 2012.

Auditee Response/Status: Unresolved. This is included in current finding number 2013-002.

2012-2 Management of Due To / From and Transfer (Internal) Accounts

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the County.

Condition: During fiscal year 2012, the County did not properly account for and use due to/due from accounts and transfers in conjunction with the operations of the County.

Auditee Response/Status: Unresolved. This is included as current finding number 2013-003.

2011-3 Segregation of Duties – Credit Cards

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

Condition: There was not appropriate segregation of duties in regard to expenditure, approval, and reconciliation of the County's credit card accounts.

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2013 and is not included as a finding for the current year.

2012-4 Management of Inventory Accounts

Criteria: Generally accepted accounting principles require that inventory on hand at year end be reported as an asset.

Condition: During the year ended December 31, 2012, we noted the shop inventory software was not updated for some of the inventory used, thus causing an overstatement of inventory.

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2013 and is not included as a finding for the current year.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

2012-5 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 2013-009.