MONROE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

MONROE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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MAULDIN & JENKINS

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, 2014, 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 5.4% of the assets, 4.7% of the net position, and 96.2% 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of December 31, 2014, 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 50 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 accompanying schedule of federal expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards 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, the schedule of expenditures of federal awards 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 June 30, 2015, 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
June 30, 2015

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 3,685,369	$ 227,226	$ 3,912,595	$ 3,423,274	$ 275,094
Investments	82,872	149,239	232,111	-	-
Taxes receivable	6,979,614	-	6,979,614	-	-
Interest receivable	73	-	73	-	-
Accounts receivable, net of allowances	1,268,696	127,450	1,396,146	-	47,417
Due from other governments	2,396,936	-	2,396,936	-	-
Internal balances	293,935	(293,935)	-	-	-
Inventories	272,399	104,450	376,849	-	-
Prepaid items	-	-	-	3,723	-
Restricted assets					
Cash	13,978,270	96,308	14,074,578	-	-
Other noncurrent assets	40,181	-	40,181	-	-
Capital assets, non-depreciable	2,336,154	5,895,144	8,231,298	1,949,035	-
Capital assets, depreciable, net of accumulated depreciation	73,477,224	30,259,310	103,736,534	359,021	4,602
Total assets	104,811,723	36,565,192	141,376,915	5,735,053	327,113
LIABILITIES					
Accounts payable	1,934,624	364,227	2,298,851	8,189	20,755
Checks written in excess of cash	304,127	-	304,127	-	-
Accrued liabilities	613,008	62,879	675,887	-	-
Unearned revenues	36,374	-	36,374	3,394	-
Due to other governments	436,512	-	436,512	-	-
Accrued interest	72,852	-	72,852	-	-
Customer deposits payable	-	96,291	96,291	-	-
Compensated absences due within one year	235,965	44,663	280,628	-	4,454
Compensated absences due in more than one year	353,947	20,936	374,883	-	22,727
Bonds payable due within one year	3,400,000	-	3,400,000	-	-
Bonds payable due in more than one year	26,755,706	-	26,755,706	-	-
Claims and judgments payable due within one year	205,325	-	205,325	-	-
Landfill closure and postclosure care costs due in more than one year	-	1,098,601	1,098,601	-	-
Net OPEB obligation due in more than one year	1,141,418	-	1,141,418	-	-
Total liabilities	35,489,858	1,687,597	37,177,455	11,583	47,936
NET POSITION					
Net investment in capital assets	59,422,144	36,154,454	95,576,598	2,308,056	4,602
Restricted for:					
Judicial	360,421	-	360,421	-	-
Public safety	256,486	-	256,486	-	-
Capital projects	3,352,156	-	3,352,156	-	-
Unrestricted	5,930,658	(1,276,859)	4,653,799	3,415,414	274,575
Total net position	$ 69,321,865	$ 34,877,595	$ 104,199,460	$ 5,723,470	$ 279,177

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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	$ 2,904,084	$ 828,080	$ 593	$ 516	$ (2,074,895)	$ -	$ (2,074,895)	$ -	$ -
Judicial	1,890,711	1,613,925	-	-	(276,786)	-	(276,786)	-	-
Public safety	12,401,239	1,760,451	327,287	276,047	(10,037,454)	-	(10,037,454)	-	-
Public works	10,652,610	18,336	462,818	215,164	(9,956,292)	-	(9,956,292)	-	-
Health and welfare	944,780	12,840	81,951	16	(849,973)	-	(849,973)	-	-
Culture and recreation	13,259	58,715	1,644	-	47,100	-	47,100	-	-
Housing and development	257,054	-	-	-	(257,054)	-	(257,054)	-	-
Interest on long-term debt	545,964	-	-	-	(545,964)	-	(545,964)	-	-
Total governmental activities	29,609,701	4,292,347	874,293	491,743	(23,951,318)	-	(23,951,318)	-	-
Business-type activities:									
Water	2,093,664	1,153,273	-	-	-	(940,391)	(940,391)	-	-
Landfill	1,657,787	125,141	-	-	-	(1,532,646)	(1,532,646)	-	-
Building inspections	132,710	94,906	-	-	-	(37,804)	(37,804)	-	-
Total business-type activities	3,884,161	1,373,320	-	-	-	(2,510,841)	(2,510,841)	-	-
Total primary government	$ 33,493,862	$ 5,665,667	$ 874,293	$ 491,743	(23,951,318)	(2,510,841)	(26,462,159)	-	-
Component units:									
Development Authority	$ 153,411	$ 23,130	$ -	$ -	$ -	$ -	$ -	$ (130,281)	$ -
Health Department	522,749	214,682	386,567	-	-	-	-	-	78,500
Total component units	$ 676,160	$ 237,812	$ 386,567	$ -	$ -	$ -	$ -	$ (130,281)	$ 78,500
General revenues:									
Property taxes					15,357,012	-	15,357,012	-	-
Sales taxes					8,100,367	-	8,100,367	-	-
Insurance premium tax					-	1,099,916	1,099,916	-	-
Intangible tax					126,191	-	126,191	-	-
Alcoholic beverages tax					102,180	-	102,180	-	-
Other taxes					86,111	-	86,111	-	-
Unrestricted investment earnings					11,661	35	11,696	373	206
Gain on sale of capital assets					8,443	-	8,443	-	-
Transfers					(3,273,145)	3,273,145	-	-	-
Total general revenues and transfers					20,518,820	4,373,096	24,891,916	373	206
Change in net position					(3,432,498)	1,862,255	(1,570,243)	(129,908)	78,706
Net position, beginning of year					72,754,363	33,015,340	105,769,703	5,853,378	200,471
Net position, end of year					$ 69,321,865	$ 34,877,595	$ 104,199,460	$ 5,723,470	$ 279,177

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

MONROE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ -	$ -	$ 964,925	$ 691,119	$ 2,029,325	$ 3,685,369
Investments	188	-	-	-	82,684	82,872
Taxes receivable (net)	6,979,614	-	-	-	-	6,979,614
Accounts receivable	1,180,027	-	-	14,994	73,675	1,268,696
Interest receivable	-	-	-	-	73	73
Due from other governments	294,410	1,812,073	-	289,088	1,365	2,396,936
Due from other funds	2,139,113	33,917	1,637,940	626,278	4,315,221	8,752,469
Inventories	272,399	-	-	-	-	272,399
Restricted cash	-	13,978,270	-	-	-	13,978,270
Total assets	$ 10,865,751	$ 15,824,260	$ 2,602,865	$ 1,621,479	$ 6,502,343	$ 37,416,698
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 495,399	$ 33,791	$ -	$ 776,312	$ 629,122	$ 1,934,624
Checks written in excess of cash	304,127	-	-	-	-	304,127
Accrued liabilities	550,632	-	-	-	62,376	613,008
Unearned revenues	32,753	-	-	-	3,621	36,374
Due to other governments	-	175,376	3,184	257,952	-	436,512
Due to other funds	133,489	2,316,784	2,619,911	1,225,843	2,162,507	8,458,534
Total liabilities	1,516,400	2,525,951	2,623,095	2,260,107	2,857,626	11,783,179
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	435,679	-	-	-	-	435,679
Unavailable revenue - emergency services	405,822	-	-	-	-	405,822
Total deferred inflows of resources	841,501	-	-	-	-	841,501
FUND BALANCES (DEFICIT)						
Fund balances:						
Nonspendable:						
Inventories	272,399	-	-	-	-	272,399
Restricted for:						
Judicial	-	-	-	-	360,421	360,421
Public safety	-	-	-	-	256,486	256,486
Capital projects	-	13,084,511	-	-	3,352,156	16,436,667
Debt service	-	213,798	-	-	-	213,798
Assigned for:						
Culture and recreation	-	-	-	-	79,649	79,649
Unassigned	8,235,451	-	(20,230)	(638,628)	(403,995)	7,172,598
Total fund balances (deficit)	8,507,850	13,298,309	(20,230)	(638,628)	3,644,717	24,792,018
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 10,865,751	$ 15,824,260	$ 2,602,865	$ 1,621,479	$ 6,502,343	
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.						75,813,378
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						841,501
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(31,023,795)
Net pension assets are not financial resources of the current period and, therefore, are not reported in the funds.						40,181
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.						(1,141,418)
Net position of governmental activities						$ 69,321,865

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, 2014

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 19,942,118	$ -	$ -	$ -	$ -	$ 19,942,118
Sales taxes	2,948,094	-	-	3,921,023	-	6,869,117
Other taxes	314,482	-	-	-	-	314,482
Licenses and permits	48,272	-	-	-	-	48,272
Intergovernmental	804,467	-	-	-	281,369	1,085,836
Charges for services	2,114,178	-	-	-	458,106	2,572,284
Fines and forfeitures	1,045,275	-	-	-	397,897	1,443,172
Interest income	2,327	8,972	516	-	892	12,707
Contributions	-	-	-	-	3,154	3,154
Miscellaneous	109,410	41,200	-	-	250	150,860
Total revenues	27,328,623	50,172	516	3,921,023	1,141,668	32,442,002
Expenditures						
Current:						
General government	3,441,609	-	-	-	-	3,441,609
Judicial	1,682,729	-	-	-	195,741	1,878,470
Public safety	10,079,388	-	-	-	1,405,329	11,484,717
Public works	3,628,526	-	-	-	20,000	3,648,526
Health and welfare	513,759	-	-	-	418,327	932,086
Culture and recreation	834,307	-	-	-	11,716	846,023
Housing and development	255,911	-	-	-	-	255,911
Intergovernmental	-	-	149,295	658,732	-	808,027
Capital outlay	-	-	-	6,518,543	1,758,763	8,277,306
Debt service:						
Principal	35,406	3,175,000	-	-	-	3,210,406
Interest and fiscal charges	1,338	850,291	-	-	-	851,629
Issuance costs	-	107,108	-	-	-	107,108
Total expenditures	20,472,973	4,132,399	149,295	7,177,275	3,809,876	35,741,818
Excess (deficiency) of revenues over (under) expenditures	6,855,650	(4,082,227)	(148,779)	(3,256,252)	(2,668,208)	(3,299,816)
Other financing sources (uses):						
Proceeds from sale of capital assets	8,443	-	-	-	-	8,443
Issuance of bonds	-	4,690,000	-	-	-	4,690,000
Transfers in	-	967,901	-	3,753,472	626,284	5,347,657
Transfers out	(1,536,067)	(3,753,472)	-	(519,078)	(194,697)	(6,003,314)
Total other financing sources (uses)	(1,527,624)	1,904,429	-	3,234,394	431,587	4,042,786
Net change in fund balances	5,328,026	(2,177,798)	(148,779)	(21,858)	(2,236,621)	742,970
Fund balance (deficit), beginning of year	3,179,824	15,476,107	128,549	(616,770)	5,881,338	24,049,048
Fund balance (deficit), end of year	$ 8,507,850	$ 13,298,309	$ (20,230)	$ (638,628)	$ 3,644,717	$ 24,792,018

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, 2014

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

Net change in fund balances - total governmental funds	$	742,970
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 exceeded depreciation in the current period.		681,493
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(433,007)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,507,347)
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.		150,921
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.		(67,528)
	$	(3,432,498)

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 13,599,387	$ 13,928,743	$ 19,942,118	$ 6,013,375
Sales taxes	3,200,000	3,200,000	2,948,094	(251,906)
Other taxes	351,982	351,982	314,482	(37,500)
Licenses and permits	56,500	56,500	48,272	(8,228)
Intergovernmental	689,823	695,792	804,467	108,675
Charges for services	2,526,744	2,526,744	2,114,178	(412,566)
Fines and forfeitures	1,246,000	1,246,000	1,045,275	(200,725)
Investment income	-	-	2,327	2,327
Contributions	2,000	2,000	-	(2,000)
Miscellaneous	92,692	105,621	109,410	3,789
Total revenues	21,765,128	22,113,382	27,328,623	5,215,241
Expenditures:				
Current:				
General government:				
County commissioners	1,183,619	1,080,277	1,073,430	6,847
Board of registrars	92,879	81,049	72,434	8,615
Elections	63,742	63,741	54,369	9,372
Financial administration	102,411	120,483	119,144	1,339
Purchasing	103,402	117,146	116,670	476
Fuel depot	6,555	6,552	4,229	2,323
Tax commissioner	332,182	386,318	375,604	10,714
Tax assessor	424,146	446,763	429,012	17,751
Board of equalization	8,582	7,090	5,817	1,273
Public buildings	640,504	739,280	739,280	-
Justice center	156,800	164,189	163,902	287
General insurance	2,324,656	297,617	287,718	9,899
Total general government	5,439,478	3,510,505	3,441,609	68,896
Judicial:				
Superior court	565,973	674,144	667,237	6,907
Clerk of superior court	368,434	406,617	400,728	5,889
Magistrate court	211,298	227,014	227,014	-
Probate court	368,625	380,326	378,944	1,382
Juvenile court	9,267	9,267	8,806	461
Total judicial	1,523,597	1,697,368	1,682,729	14,639
Public safety:				
Sheriff	3,462,142	4,389,295	4,389,295	-
Jail	2,209,511	2,411,067	2,404,489	6,578
School resource officer	138,067	88,527	88,527	-
Court security	155,791	155,787	148,924	6,863
Emergency services	2,398,384	2,830,542	2,829,819	723
Coroner	24,786	28,308	28,278	30
Animal control	107,301	143,826	143,826	-
Emergency management	35,515	46,230	46,230	-
Total public safety	8,531,497	10,093,582	10,079,388	14,194
Public works:				
Public roads	3,047,650	3,322,066	3,322,066	-
Maintenance and shop	293,341	306,460	306,460	-
Total public works	3,340,991	3,628,526	3,628,526	-

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Healthcare	$ 448,981	$ 448,981	$ 446,981	$ 2,000
Tick control	18,340	18,320	18,261	59
Welfare	25,792	25,791	23,643	2,148
Community services	22,000	23,350	23,350	-
Conference center	-	1,524	1,524	-
Total health and welfare	515,113	517,966	513,759	4,207
Culture and recreation:				
Recreation	510,041	543,132	543,132	-
Recreation commissions	-	407	407	-
Library	261,194	290,768	290,768	-
Total culture and recreation	771,235	834,307	834,307	-
Housing and development:				
Soil conservation	40,081	49,844	49,844	-
Extension service	93,617	86,399	84,107	2,292
Georgia forestry commission	18,952	18,627	18,627	-
Planning and zoning	2,840	3,904	3,904	-
Economic development	8,100	6,750	6,750	-
Family connection	114,105	92,679	92,679	-
Total housing and development	277,695	258,203	255,911	2,292
Debt service:				
Principal	311,565	35,406	35,406	-
Interest and fiscal charges	-	279,901	1,338	278,563
Total debt service	311,565	315,307	36,744	278,563
Total expenditures	20,711,171	20,855,764	20,472,973	382,791
Excess of revenues over expenditures	1,053,957	1,257,618	6,855,650	5,598,032
Other financing sources (uses):				
Transfers out	(1,053,957)	(1,257,500)	(1,536,067)	(278,567)
Proceeds from sale of assets	-	-	8,443	8,443
Total other financing sources (uses)	(1,053,957)	(1,257,500)	(1,527,624)	(270,124)
Net change in fund balance	-	118	5,328,026	5,327,908
Fund balance, beginning of year	3,179,824	3,179,824	3,179,824	-
Fund balance, end of year	$ 3,179,824	$ 3,179,942	$ 8,507,850	$ 5,327,908

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

ASSETS	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CURRENT ASSETS				
Cash	$ 44,915	$ 179,247	$ 3,064	$ 227,226
Investments	149,239	-	-	149,239
Accounts receivable, net of allowances	87,926	20,397	19,127	127,450
Inventory	104,450	-	-	104,450
Restricted assets:				
Cash	96,308	-	-	96,308
Total current assets	482,838	199,644	22,191	704,673
NONCURRENT ASSETS				
Capital assets:				
Non-depreciable	5,699,378	195,766	-	5,895,144
Depreciable, net of accumulated depreciation	28,734,473	1,524,837	-	30,259,310
Total capital assets	34,433,851	1,720,603	-	36,154,454
Total noncurrent assets	34,433,851	1,720,603	-	36,154,454
Total assets	34,916,689	1,920,247	22,191	36,859,127
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	322,319	41,763	145	364,227
Accrued liabilities	9,531	48,656	4,692	62,879
Compensated absences payable, current	3,539	34,340	6,784	44,663
Due to other funds	76,476	194,076	23,383	293,935
Payable from restricted assets:				
Customer deposits payable	96,291	-	-	96,291
Total current liabilities	508,156	318,835	35,004	861,995
LONG-TERM LIABILITIES				
Compensated absences	396	16,877	3,663	20,936
Accrued closure / post-closure costs	-	1,098,601	-	1,098,601
Total long-term liabilities	396	1,115,478	3,663	1,119,537
Total liabilities	508,552	1,434,313	38,667	1,981,532
NET POSITION (DEFICIT)				
Investment in capital assets	34,433,851	1,720,603	-	36,154,454
Unrestricted	(25,714)	(1,234,669)	(16,476)	(1,276,859)
Total net position (deficit)	$ 34,408,137	$ 485,934	$ (16,476)	$ 34,877,595

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, 2014

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Operating revenues:				
Charges for services:				
Water charges	$ 1,078,691	$ -	$ -	$ 1,078,691
Collection and disposal fees	-	125,141	-	125,141
Building licenses and permits	-	-	94,906	94,906
Service charges	74,472	-	-	74,472
Miscellaneous	110	-	-	110
Total operating revenues	1,153,273	125,141	94,906	1,373,320
Operating expenses:				
Personal services	178,155	952,463	111,910	1,242,528
Purchased/contracted services	334,606	216,384	5,825	556,815
Supplies and materials	95,439	204,208	14,685	314,332
Utilities and purchased water	829,775	-	-	829,775
Depreciation	655,689	284,732	290	940,711
Total operating expenses	2,093,664	1,657,787	132,710	3,884,161
Operating loss	(940,391)	(1,532,646)	(37,804)	(2,510,841)
Nonoperating revenues:				
Insurance premium tax	-	1,099,916	-	1,099,916
Investment income	-	33	2	35
Total nonoperating revenues	-	1,099,949	2	1,099,951
Loss before transfers and contributions	(940,391)	(432,697)	(37,802)	(1,410,890)
Transfers in	449,777	173,143	32,737	655,657
Capital contributions	2,617,488	-	-	2,617,488
Change in net position	2,126,874	(259,554)	(5,065)	1,862,255
Net position (deficit), beginning of year	32,281,263	745,488	(11,411)	33,015,340
Net position (deficit), end of year	$ 34,408,137	$ 485,934	$ (16,476)	$ 34,877,595

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, 2014

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,170,190	$ 119,382	$ 75,779	$ 1,365,351
Payments to suppliers and service providers	(1,192,926)	(182,405)	1,550	(1,373,781)
Payments to employees	(175,292)	(939,035)	(111,242)	(1,225,569)
Payments for interfund services received	(34,589)	-	-	(34,589)
Net cash used in operating activities	(232,617)	(1,002,058)	(33,913)	(1,268,588)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Insurance premium taxes	-	1,099,916	-	1,099,916
Transfers in	449,777	173,143	32,737	655,657
Net cash provided by noncapital financing activities	449,777	1,273,059	32,737	1,755,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(245,773)	(112,734)	-	(358,507)
Net cash used in capital and related financing activities	(245,773)	(112,734)	-	(358,507)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	33	2	35
Net cash provided by investing activities	-	33	2	35
Net increase (decrease) in cash and cash equivalents	(28,613)	158,300	(1,174)	128,513
Cash and cash equivalents:				
Beginning of year	169,836	20,947	4,238	195,021
End of year	$ 141,223	$ 179,247	$ 3,064	$ 323,534
Classified as:				
Cash and cash equivalents	$ 44,915	$ 179,247	$ 3,064	$ 227,226
Restricted assets, cash and cash equivalents	96,308	-	-	96,308
	$ 141,223	$ 179,247	$ 3,064	$ 323,534

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Water Fund	Landfill	Nonmajor Enterprise Fund Building Inspection	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (940,391)	$ (1,532,646)	$ (37,804)	$ (2,510,841)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	655,689	284,732	290	940,711
(Increase) decrease in:				
Accounts receivable	9,226	(5,759)	(19,127)	(15,660)
Inventory	(49,318)	-	-	(49,318)
Increase (decrease) in:				
Accounts payable	116,212	7,565	(273)	123,504
Accrued liabilities	2,724	12,324	320	15,368
Compensated absences	139	1,104	348	1,591
Due to other funds	(34,589)	173,129	22,333	160,873
Accrued closure/post-closure costs	-	57,493	-	57,493
Customer deposits payable	7,691	-	-	7,691
Net cash used in operating activities	$ (232,617)	$ (1,002,058)	$ (33,913)	$ (1,268,588)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets purchased by other funds	$ 2,617,488	$ -	$ -	$ 2,617,488
Total noncash investing, capital and financing activities	$ 2,617,488	$ -	$ -	$ 2,617,488

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

MONROE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Private Purpose Trust Fund	
	Veterans' Memorial	Agency Funds
ASSETS		
Cash	$ 6,448	$ 967,294
Taxes receivable	-	11,778,316
Due from others	-	1,131
Total assets	$ 6,448	$ 12,746,741
LIABILITIES		
Due to others	$ -	$ 968,425
Uncollected taxes	-	11,778,316
Total liabilities	-	$ 12,746,741
NET POSITION		
Restricted for veterans' memorial	$ 6,448	

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, 2014

	Private Purpose Trust Fund
	Veterans' Memorial
ADDITIONS	
Contributions	$ 1,050
Interest income	4
Total additions	1,054
DEDUCTIONS	
Veterans' memorial	319
Total deductions	319
Change in net position	735
Net position, beginning of the year	5,713
Net position, end of the year	$ 6,448

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, County management believes the Authority should be included in the financial statements due to its close relation and financial integration with the County. 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 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, 2014.

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 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 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 balances 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:

Compensated absences	$	(589,912)
Claims and judgments payable		(205,325)
Bonds payable		(30,155,706)
Accrued interest payable		(72,852)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(31,023,795)

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	$	3,424,118
Depreciation expense		(2,742,625)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	681,493

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 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:

Issuance of debt:		
Bonds payable	$	(4,690,000)
Principal repayments:		
Bonds payable		3,175,000
Capital leases		35,406
Claims and judgments payable		1,231,250
Amortization of premium		399,265
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	150,921

Another element of the reconciliation states that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net 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.	$	(709,007)
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.		276,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(433,007)

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	$	(22,327)
Accrued interest		13,508
Net pension asset		(219)
Net OPEB obligation		(58,490)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(67,528)

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, 2014, 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	497
Capital Projects Funds:	
2008 SPLOST Fund	20,230
2014 SPLOST Fund	638,628
SPLOST Fire Fund	16,523
SPLOST Public Safety Facilities Fund	300,346
SPLOST Patrol Vehicle Fund	49,129
Proprietary Funds:	
Building Inspection Fund	16,476

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, 2014, the County's investments in the Georgia Fund 1 were rated AAAf by Standard & Poor's.

At December 31, 2014, the County had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	51 day weighted-average	$ 149,239
Certificates of Deposit	13.45 months weighted-average	82,872
		$ 232,111

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, 2014, 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, 2014, consist of the following:

	General Fund	Public Facilities Authority	2014 SPLOST Fund	Water Fund	Landfill Fund	Other Governmental Funds	Other Enterprise Funds	Total
Receivables:								
Taxes	$ 7,426,413	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,426,413
Accounts	2,397,493	-	14,994	195,467	37,976	73,675	19,127	2,738,732
Interest	-	-	-	-	-	73	-	73
Due from other governments	294,410	1,812,073	289,088	-	-	1,365	-	2,396,936
Gross receivables	10,118,316	1,812,073	304,082	195,467	37,976	75,113	19,127	12,562,154
Less allowance	(1,664,265)	-	-	(107,541)	(17,579)	-	-	(1,789,385)
Net receivables	$ 8,454,051	$ 1,812,073	$ 304,082	$ 87,926	$ 20,397	$ 75,113	$ 19,127	$ 10,772,769

Property taxes were levied on October 15, 2014. Bills are payable on or before December 22, 2014, 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 2014 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2014 and collected by February 28, 2015 are recognized as revenues in the year ended December 31, 2014. Net receivables estimated to be collected subsequent to February 28, 2015 are deferred as of December 31, 2014 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 23, 2014.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2014, 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	761,013	2,013,707	(709,007)	(344,535)	1,721,178
Total	1,375,989	2,013,707	(709,007)	(344,535)	2,336,154
Capital assets, being depreciated:					
Buildings	15,985,989	990,797	-	344,535	17,321,321
Building improvements	1,404,802	-	-	-	1,404,802
Land improvements	2,388,673	-	-	-	2,388,673
Infrastructure	100,874,644	-	-	-	100,874,644
Intangibles	92,012	-	-	-	92,012
Machinery & equipment	12,428,754	695,614	(90,010)	-	13,034,358
Total	133,174,874	1,686,411	(90,010)	344,535	135,115,810
Less accumulated depreciation for:					
Buildings	3,377,855	319,098	-	-	3,696,953
Building improvements	111,959	30,604	-	-	142,563
Land improvements	1,780,125	33,978	-	-	1,814,103
Infrastructure	43,467,901	2,017,207	-	-	45,485,108
Intangibles	25,522	9,201	-	-	34,723
Machinery & equipment	10,222,609	332,537	(90,010)	-	10,465,136
Total	58,985,971	2,742,625	(90,010)	-	61,638,586
Total capital assets, being depreciated, net	74,188,903	(1,056,214)	-	344,535	73,477,224
Governmental activities capital assets, net	$ 75,564,892	$ 957,493	$ (709,007)	$ -	$ 75,813,378

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	2,692,189	2,863,258	-	-	5,555,447
Total	3,031,886	2,863,258	-	-	5,895,144
Capital assets, being depreciated:					
Land (landfill)	3,882,519	-	-	-	3,882,519
Buildings	765,295	6,352	-	-	771,647
Improvements	1,092,514	28,965	-	-	1,121,479
Infrastructure	34,043,038	-	-	-	34,043,038
Machinery & equipment	3,189,125	77,418	-	-	3,266,543
Total	42,972,491	112,735	-	-	43,085,226
Less accumulated depreciation for:					
Land (landfill)	3,553,718	91,683	-	-	3,645,401
Buildings	98,281	15,727	-	-	114,008
Improvements	705,126	54,700	-	-	759,826
Infrastructure	5,809,404	605,348	-	(2,608)	6,412,144
Machinery & equipment	1,718,676	173,253	-	2,608	1,894,537
Total	11,885,205	940,711	-	-	12,825,916
Total capital assets, being depreciated, net	31,087,286	(827,976)	-	-	30,259,310
Business-type activities capital assets, net	$ 34,119,172	$ 2,035,282	$ -	$ -	$ 36,154,454

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	$ 156,543
Judicial	6,703
Public safety	324,108
Public works	2,162,953
Health and welfare	12,694
Culture and recreation	79,624
Total depreciation expense - governmental activities	$ 2,742,625
Business-type activities:	
Water Fund	$ 655,689
Landfill	284,732
Business Inspection	290
Total depreciation expense - business-type activities	$ 940,711

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,941,590	$ -	$ -	$ -	$ 1,941,590
Improvements	-	7,445	-	-	7,445
Total	1,941,590	7,445	-	-	1,949,035
Capital assets, being depreciated:					
Improvements	398,913	-	-	-	398,913
Total	398,913	-	-	-	398,913
Less accumulated depreciation for:					
Improvements	19,946	19,946	-	-	39,892
Total	19,946	19,946	-	-	39,892
Total capital assets, being depreciated, net	378,967	(19,946)	-	-	359,021
Development Authority capital assets, net	$ 2,320,557	$ (12,501)	$ -	$ -	$ 2,308,056

NOTE 7. SHORT-TERM DEBT

On July 22, 2014, the Board of Commissioners approved a resolution authorizing a tax anticipation note for the borrowing of $2,000,000 at an interest rate of 0.70%. This note was repaid in December 2014.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax Anticipation Note	$ -	$ 2,000,000	$ (2,000,000)	$ -

NOTE 8. 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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 27,145,000	$ 4,690,000	$ (3,175,000)	$ 28,660,000	$ 3,400,000
Plus unamortized premium	1,894,971	-	(399,265)	1,495,706	-
General obligation bonds, net	29,039,971	4,690,000	(3,574,265)	30,155,706	3,400,000
Capital leases	35,406	-	(35,406)	-	-
Compensated absences	567,585	317,367	(295,040)	589,912	235,965
Claims and judgments	1,436,575	-	(1,231,250)	205,325	205,325
Net OPEB obligation	1,082,929	147,329	(88,840)	1,141,418	-
Governmental activities Long-term liabilities	$ 32,162,466	$ 5,154,696	$ (5,224,801)	$ 32,092,361	$ 3,841,290
Business-type activities:					
Landfill closure and postclosure costs	$ 1,041,108	$ 57,493	$ -	$ 1,098,601	$ -
Compensated absences	64,008	40,127	(38,536)	65,599	44,663
Business-type activities Long-term liabilities	$ 1,105,116	$ 97,620	$ (38,536)	$ 1,164,200	$ 44,663

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

For business type activities, compensated absences are generally liquidated by the Landfill Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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.

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 2008 Series general obligation bonds were paid off as of December 31, 2014.

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, 2014 was $1,335,000.

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, 2014 was $12,650,000.

NOTE 8. 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, 2014 was $9,985,000.

During the year ended December 31, 2014, Monroe County Public Facilities Authority issued Revenue Bonds, Series 2014A in the amount of $2,565,000. The bonds bear interest of 1.71% with final maturity in 2019. Proceeds of the bonds will be used for the purpose of financing or refinancing 1) the acquisition, construction, furnishing, and equipping of an emergency medical services headquarters, including the acquisition of real property, 2) the acquisition, construction, and improvement of certain recreational facilities located in the County, including the acquisition of real property, and 3) paying all or a portion of the costs of issuance. The outstanding balance of the 2014 Series A revenue bonds as of December 31, 2014 was $2,565,000.

During the year ended December 31, 2014, Monroe County Public Facilities Authority issued Taxable Revenue Bonds, Series 2014B in the amount of $2,125,000. The bonds bear interest of 1.88% with final maturity in 2017. Proceeds of the bonds will be used for the purpose of financing or refinancing 1) the acquisition and equipping of a convention center for business development within the County, 2) the renovation, improvement and equipping of existing hospital facilities for the Hospital Authority in the County, and 3) paying all or a portion of the costs of issuance. The outstanding balance of the 2014 Series B taxable revenue bonds as of December 31, 2014 was $2,125,000.

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

bonds. The 2014 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.

General obligation bonds debt service requirements to maturity are as follows at December 31, 2014:

Year ending December 31,	Principal	Interest	Total
2015	$ 3,400,000	$ 882,312	$ 4,282,312
2016	4,215,000	787,991	5,002,991
2017	4,345,000	654,075	4,999,075
2018	4,505,000	515,700	5,020,700
2019	4,660,000	367,290	5,027,290
2020-2024	4,075,000	827,383	4,902,383
2025-2028	3,460,000	252,997	3,712,997
	$ 28,660,000	$ 4,287,748	$ 32,947,748

NOTE 8. 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 $1,098,601 at December 31, 2014, represents the cumulative amount reported to date based on the use of 24.6% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $3,374,853 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 8. 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, 2014 for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2014 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 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2014, is as follows:

Due to/from other funds:

	Receivable Funds					
Payable Funds	General Fund	Public Facilities Auth. Fund	2008 SPLOST Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ -	$ 133,489	$ 133,489
Public Facilities Authority Fund	24,000	-	311,667	-	1,981,116	2,316,783
2008 SPLOST Fund	-	-	-	449,295	2,170,616	2,619,911
2014 SPLOST Fund	1,025,818	-	200,025	-	-	1,225,843
Water Fund	46,478	-	-	-	30,000	76,478
Landfill Fund	194,076	-	-	-	-	194,076
Nonmajor Governmental Funds	825,358	33,917	1,126,248	176,983	-	2,162,506
Nonmajor Enterprise Fund	23,383	-	-	-	-	23,383
Total	$ 2,139,113	$ 33,917	$ 1,637,940	$ 626,278	$ 4,315,221	$ 8,752,469

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	$ 448,823	$ -	$ 519,078	$ -	$ 967,901
2014 SPLOST Fund	-	3,753,472	-	-	3,753,472
Water Fund	255,080	-	-	194,697	449,777
Landfill Fund	173,143	-	-	-	173,143
Nonmajor Governmental Funds	626,284	-	-	-	626,284
Nonmajor Enterprise Funds	32,737	-	-	-	32,737
Total	$ 1,536,067	$ 3,753,472	$ 519,078	$ 194,697	$ 6,003,314

NOTE 9. 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 10. 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, 2014, the County paid $22,540 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 11. 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 11. 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, 2014, (the most recent actuarial valuation date) are as follows:

	January 1, 2014
Derivation of Annual Pension Cost	
Annual Required Contribution	$ 1,147,758
Interest on Net Pension Obligation	(3,014)
Amortization of Net Pension Obligation	3,273
Annual Pension Cost	$ 1,148,017
Derivation of Net Pension Obligation	
Annual Pension Cost for Prior Year	$ 1,399,996
Actual Contributions to Plan for Prior Year	(1,399,777)
Change in Net Pension Obligation (Asset)	219
Net Pension Obligation (Asset) as of Beginning of Prior Year	(40,400)
Net Pension Obligation (Asset) as of Beginning of the Year	$ (40,181)
Basis of Valuation	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	2.5%-5.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	10

NOTE 11. 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)
1/1/14	$ 1,148,017	$ N/A	N/A %	$ (40,181)
1/1/13	1,399,996	1,399,777	100	(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)

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/13	$ 17,621,069	$ 21,471,387	$ 3,850,318	82.1 %	$ 7,262,744	53.0 %

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, 2014.

NOTE 12. 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 post-retirement 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, 2014. 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, 2014. The plan does not issue a separate, stand-alone report and is not included in the report of another entity.

NOTE 12. 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 2014, the net cost of premiums for providing post-retirement benefits for retirees was $88,840.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of January 1, 2014.

Active members	224
	224

Contributions

The County contributed $88,840 to the OPEB Health Care Plan in fiscal year 2014. 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, 2014
Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 145,393
Interest on Net OPEB Obligation	43,317
Amortization of Net OPEB Obligation	(41,381)
Annual OPEB Cost	$ 147,329
Derivation of Net OPEB Obligation	
Net OPEB Obligation as of Beginning of Year	$ 1,082,929
Annual OPEB Cost for Year	147,329
Actual Contributions to Plan for Current Year	(88,840)
Increase in Net OPEB Obligation	58,489
Net OPEB Obligation as of End of the Year	$ 1,141,418

NOTE 12. OTHER POSTEMPLOYMENT BENEFIT PLAN (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
1/1/14	$ 147,329	$ 88,840	60 %	$ 1,141,418
1/1/13	258,890	61,490	24	1,082,929
1/1/12	258,890	76,417	30	885,529
1/1/11	215,845	23,265	11	703,056

As of the most recent valuation date, January 1, 2014, 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
01/01/14	$ -	$ 1,491,630	$ 1,491,630	- %	$ 7,711,973	19.3 %

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, 2014. The assumptions used in the January 1, 2014 actuarial valuation are as follows:

Basis of Valuation	
Current Valuation Date	January 1, 2014
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	7.5% - 5.0%
Year of Ultimate Medical Cost Trend Rate	2019
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 13. 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, 2014 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 13. RISK MANAGEMENT (CONTINUED)

Required disclosure representing the changes in the balances of claims liabilities during the years ended December 31, 2014 and 2013, respectively, are as follows:

	December 31,	
	2014	2013
Unpaid claims, beginning of fiscal year	$ 245,300	$ 175,500
Incurred claims	2,705,823	2,260,829
Claims Paid	2,670,964	2,191,029
Unpaid claims, end of fiscal year	$ 280,159	$ 245,300

NOTE 14. 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, 2014, the County has contractual commitments on uncompleted construction contracts of approximately $776,000 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.

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	Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/13	$ 17,621,069	$ 21,471,387	$ 3,850,318	82.1 %	$ 7,262,744	53.0 %
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

The assumptions used in the preparation of the above schedule are disclosed in Note 11 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
01/01/14	$ -	$ 1,491,630	$ 1,491,630	- %	$ 7,711,973	19.3 %
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

The assumptions used in the preparation of the above schedule are disclosed in Note 12 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 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.

Supervisory Fee Fund – To account for the receipt and expenditures of monies received from supervisory fees related to juvenile court cases.

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 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, 2014

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
ASSETS			
Cash	$ 783,734	$ 1,245,591	$ 2,029,325
Investments	82,684	-	82,684
Accounts receivable	73,675	-	73,675
Interest receivable	73	-	73
Due from other governments	1,365	-	1,365
Due from other funds	5,187	4,310,034	4,315,221
Total assets	$ 946,718	$ 5,555,625	$ 6,502,343
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 43,564	$ 585,558	$ 629,122
Accrued liabilities	62,376	-	62,376
Unearned revenue	3,621	-	3,621
Due to other funds	178,598	1,983,909	2,162,507
Total liabilities	288,159	2,569,467	2,857,626
FUND BALANCES			
Restricted for:			
Judicial	360,421	-	360,421
Public safety	256,486	-	256,486
Capital projects	-	3,352,156	3,352,156
Assigned for:			
Culture and recreation	79,649	-	79,649
Unassigned	(37,997)	(365,998)	(403,995)
Total fund balances	658,559	2,986,158	3,644,717
Total liabilities and fund balances	$ 946,718	$ 5,555,625	$ 6,502,343

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
Revenues:			
Intergovernmental	$ 281,369	$ -	$ 281,369
Fines and forfeitures	397,897	-	397,897
Charges for services	458,106	-	458,106
Interest income	362	530	892
Contributions	3,154	-	3,154
Miscellaneous	250	-	250
Total revenues	1,141,138	530	1,141,668
Expenditures:			
Current:			
Judicial	195,741	-	195,741
Public safety	1,405,329	-	1,405,329
Public works	20,000	-	20,000
Health and welfare	-	418,327	418,327
Culture and recreation	11,716	-	11,716
Capital outlay	-	1,758,763	1,758,763
Total expenditures	1,632,786	2,177,090	3,809,876
Deficiency of revenues under expenditures	(491,648)	(2,176,560)	(2,668,208)
Other financing sources (uses):			
Transfers in	626,284	-	626,284
Transfers out	(194,697)	-	(194,697)
Total other financing sources (uses)	431,587	-	431,587
Net change in fund balances	(60,061)	(2,176,560)	(2,236,621)
Fund balances, beginning of year	718,620	5,162,718	5,881,338
Fund balances, end of year	$ 658,559	$ 2,986,158	$ 3,644,717

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
ASSETS					
Cash	$ 22,969	$ 29,930	$ 5,120	$ 219,775	$ 12,121
Investments	56,615	-	26,069	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	65	-	8	-	-
Due from other governments	-	-	-	1,365	-
Due from other funds	-	2,070	-	-	3,117
Total assets	$ 79,649	$ 32,000	$ 31,197	$ 221,140	$ 15,238
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 10,537	$ 204
Accrued liabilities	-	-	-	-	1,765
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	45,932	-
Total liabilities	-	-	-	56,469	1,969
FUND BALANCES (DEFICIT)					
Restricted for:					
Judicial	-	-	31,197	-	-
Public safety	-	32,000	-	164,671	13,269
Assigned for:					
Culture and recreation	79,649	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	79,649	32,000	31,197	164,671	13,269
Total liabilities and fund balances	$ 79,649	$ 32,000	$ 31,197	$ 221,140	$ 15,238

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Total Special Revenue Funds
$ 28,858	$ 406,408	$ 47,345	$ 1,000	$ 422	$ 7,954	$ 152	$ 1,680	$ 783,734
-	-	-	-	-	-	-	-	82,684
73,675	-	-	-	-	-	-	-	73,675
-	-	-	-	-	-	-	-	73
-	-	-	-	-	-	-	-	1,365
-	-	-	-	-	-	-	-	5,187
$ 102,533	$ 406,408	$ 47,345	$ 1,000	$ 422	$ 7,954	$ 152	$ 1,680	$ 946,718
$ 21,416	$ 2,444	$ 8,314	$ -	$ -	$ -	$ 649	$ -	$ 43,564
52,549	8,062	-	-	-	-	-	-	62,376
-	3,621	-	-	-	-	-	-	3,621
28,525	64,737	600	38,500	104	200	-	-	178,598
102,490	78,864	8,914	38,500	104	200	649	-	288,159
-	327,544	-	-	-	-	-	1,680	360,421
43	-	38,431	-	318	7,754	-	-	256,486
-	-	-	-	-	-	-	-	79,649
-	-	-	(37,500)	-	-	(497)	-	(37,997)
43	327,544	38,431	(37,500)	318	7,754	(497)	1,680	658,559
$ 102,533	$ 406,408	$ 47,345	$ 1,000	$ 422	$ 7,954	$ 152	$ 1,680	$ 946,718

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	5,181	51,514	22,775	158,974	41,756
Charges for services	7,911	-	-	-	-
Interest income	-	5	-	87	11
Contributions	1,644	-	-	-	-
Miscellaneous	250	-	-	-	-
Total revenues	14,986	51,519	22,775	159,061	41,767
Expenditures:					
Current:					
Judicial	-	-	34,513	-	-
Public safety	-	26,084	-	176,109	44,094
Public works	-	-	-	-	-
Culture and recreation	11,716	-	-	-	-
Total expenditures	11,716	26,084	34,513	176,109	44,094
Excess (deficiency) of revenues over (under) expenditures	3,270	25,435	(11,738)	(17,048)	(2,327)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	3,270	25,435	(11,738)	(17,048)	(2,327)
Fund balances (deficit) , beginning of year	76,379	6,565	42,935	181,719	15,596
Fund balances (deficit), end of year	$ 79,649	$ 32,000	$ 31,197	$ 164,671	$ 13,269

E-911	C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Total Special Revenue Funds
$ -	$ 60,954	$ -	$ 214,697	$ -	$ 5,718	$ -	$ -	$ 281,369
-	77,615	38,402	-	-	-	-	1,680	397,897
450,195	-	-	-	-	-	-	-	458,106
23	202	23	-	-	11	-	-	362
-	-	-	-	-	-	1,510	-	3,154
-	-	-	-	-	-	-	-	250
450,218	138,771	38,425	214,697	-	5,729	1,510	1,680	1,141,138
-	161,228	-	-	-	-	-	-	195,741
1,103,061	-	49,835	-	-	6,126	20	-	1,405,329
-	-	-	20,000	-	-	-	-	20,000
-	-	-	-	-	-	-	-	11,716
1,103,061	161,228	49,835	20,000	-	6,126	20	-	1,632,786
(652,843)	(22,457)	(11,410)	194,697	-	(397)	1,490	1,680	(491,648)
626,284	-	-	-	-	-	-	-	626,284
-	-	-	(194,697)	-	-	-	-	(194,697)
626,284	-	-	(194,697)	-	-	-	-	431,587
(26,559)	(22,457)	(11,410)	-	-	(397)	1,490	1,680	(60,061)
26,602	350,001	49,841	(37,500)	318	8,151	(1,987)	-	718,620
$ 43	$ 327,544	$ 38,431	$ (37,500)	$ 318	$ 7,754	$ (497)	$ 1,680	$ 658,559

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2014

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
ASSETS					
Cash	$ 414,185	$ 74,501	$ 1,007	$ 418,155	$ -
Due from other funds	2,189,701	-	278,350	-	-
Total assets	$ 2,603,886	$ 74,501	$ 279,357	$ 418,155	$ -
LIABILITIES AND FUND BALANCES					
Accounts payable	$ 568,537	$ -	$ 2,801	$ 13,070	$ -
Due to other funds	-	91,024	264,966	705,431	49,129
Total liabilities	568,537	91,024	267,767	718,501	49,129
FUND BALANCES (DEFICIT)					
Restricted for:					
Capital projects	2,035,349	-	11,590	-	-
Unassigned	-	(16,523)	-	(300,346)	(49,129)
Total fund balances (deficit)	2,035,349	(16,523)	11,590	(300,346)	(49,129)
Total liabilities and fund balances	$ 2,603,886	$ 74,501	$ 279,357	$ 418,155	$ -

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 26,282	$ 112,211	$ -	$ 199,250	$ 1,245,591
369,981	559,631	261,001	651,370	4,310,034
$ 396,263	$ 671,842	$ 261,001	$ 850,620	$ 5,555,625
$ -	$ -	$ 1,150	$ -	$ 585,558
306,658	130,513	229,438	206,750	1,983,909
306,658	130,513	230,588	206,750	2,569,467
89,605	541,329	30,413	643,870	3,352,156
-	-	-	-	(365,998)
89,605	541,329	30,413	643,870	2,986,158
$ 396,263	$ 671,842	$ 261,001	$ 850,620	$ 5,555,625

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
Revenues:					
Interest income	$ 467	$ 37	$ -	$ -	$ -
Total revenues	467	37	-	-	-
Expenditures:					
Current:					
Health and welfare	-	-	-	-	-
Capital outlay	1,330,331	2,025	25,826	308,752	91,829
Total expenditures	1,330,331	2,025	25,826	308,752	91,829
Excess (deficiency) of revenues over (under) expenditures	(1,329,864)	(1,988)	(25,826)	(308,752)	(91,829)
Net change in fund balances	(1,329,864)	(1,988)	(25,826)	(308,752)	(91,829)
Fund balances (deficit), beginning of year	3,365,213	(14,535)	37,416	8,406	42,700
Fund balances (deficit), end of year	$ 2,035,349	$ (16,523)	$ 11,590	$ (300,346)	$ (49,129)

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 10	$ -	$ -	$ 16	$ 530
10	-	-	16	530
-	-	-	418,327	418,327
-	-	-	-	1,758,763
-	-	-	418,327	2,177,090
10	-	-	(418,311)	(2,176,560)
10	-	-	(418,311)	(2,176,560)
89,595	541,329	30,413	1,062,181	5,162,718
$ 89,605	$ 541,329	$ 30,413	$ 643,870	$ 2,986,158

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Facilities and Equipment	$ 700,000	$ 612,942	$ 25,826	$ 638,768
Administrative Facility and Equipment	3,500,000	3,474,794	-	3,474,794
Patrol Vehicles	700,000	510,385	91,829	602,214
Emergency Services Equipment	450,000	383,430	-	383,430
Public Safety Facility and Equipment	500,000	492,719	310,777	803,496
Roads, Streets, and Bridges	8,000,000	5,063,189	1,330,331	6,393,520
Construction of Water and Sewer Lines	5,354,000	4,845,452	-	4,845,452
Hospital Capital Improvements	4,300,000	3,213,522	418,327	3,631,849
City of Forsyth	4,200,000	4,509,992	149,295	4,659,287
City of Culloden	500,000	499,977	-	499,977
Total	$ 28,204,000	$ 23,606,402	$ 2,326,385	$ 25,932,787

MONROE COUNTY, GEORGIA

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

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, Streets, Bridges	$ 7,000,000	$ -	$ 1,543,141	$ 1,543,141
Construction of Water and Sewer Lines	7,000,000	2,275,963	2,895,862	5,171,825
Patrol Vehicles	800,000	2,600	-	2,600
Emergency Services Equipment	1,500,000	-	-	-
Recreation Facilities and Equipment	2,500,000	142,422	51,455	193,877
Hospital Capital Improvements	1,000,000	-	1,606	1,606
Emergency 911 Radio System Upgrade	3,100,000	-	1,593,914	1,593,914
Library Facilities and Equipment	150,000	-	5,789	5,789
Road Department Heavy Equipment	1,250,000	622,012	-	622,012
Civic Center Facilities and Equipment	1,200,000	-	945,854	945,854
City of Forsyth	4,600,000	-	588,546	588,546
City of Culloden	550,000	-	70,186	70,186
Total	$ 30,650,000	$ 3,042,997	$ 7,696,353	$ 10,739,350

Reconciliation of SPLOST schedules to financial statements:

Total of all SPLOST schedules or expenditures	$ 10,022,738
Expenditures - 2008 SPLOST Fund	$ 149,295
Expenditures - 2014 SPLOST Fund	7,177,275
Transfers out - 2014 SPLOST Fund	519,078
Expenditures - nonmajor 2008 SPLOST funds	2,177,090
	$ 10,022,738

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 Office on behalf of individuals, private organizations, other governmental units, and other funds.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2014

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 539,013	$ 92,727	$ 124,877	$ 32,633	$ 178,044	$ 967,294
Taxes receivable	11,778,316	-	-	-	-	11,778,316
Due from others	-	-	-	-	1,131	1,131
Total assets	$ 12,317,329	$ 92,727	$ 124,877	$ 32,633	$ 179,175	$ 12,746,741
LIABILITIES						
Due to others	$ 539,013	$ 92,727	$ 124,877	$ 32,633	$ 179,175	$ 968,425
Uncollected taxes	11,778,316	-	-	-	-	11,778,316
Total liabilities	$ 12,317,329	$ 92,727	$ 124,877	$ 32,633	$ 179,175	$ 12,746,741

COMPLIANCE SECTION

MAULDIN & JENKINS

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, 2014, 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 June 30, 2015. 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 questioned costs, 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 questioned costs as items 2014-001 through 2014-008, 2014-011 and 2014-012 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 questioned costs as item 2014-009 through 2014-010 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-010 and 2014-011.

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 questioned costs. 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
June 30, 2015

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia

Report on Compliance for Each Major Federal Program

We have audited Monroe County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Monroe County, Georgia's major federal programs for the year ended December 31, 2014. Monroe County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Monroe County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments*, *and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Monroe County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Monroe County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Monroe County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of Monroe County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Monroe County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
June 30, 2015

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U. S. DEPARTMENT OF JUSTICE:			
Passed through Georgia Bureau of Investigations:			
Crime Victims Assistance Grant	16.575	C12-8-213	25,000
Total U. S. Department of Justice			25,000
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Passed through Georgia Department of Community Affairs:			
Community Development Block Grant	14.218	N/A	206,822
Total U. S. Department of Housing and Urban Development			206,822
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Disaster Grant - Public Assistance	97.036	FEMA-4165-DR-FA	24,088
2011 Homeland Security Grant	97.067	EMW-2011-SS-00081-S01	276,000
Total U. S. Department of Homeland Security			300,088
Total Expenditures of Federal Awards			$ 531,910

Note: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Monroe County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* . Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note: The 2011 Homeland Security Grant includes $276,000 in donated assets.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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?	X yes ____ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified not considered to be material weaknesses?	____ yes X none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes X no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
97.067	2011 Homeland Security Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2014-001 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 2014 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed December 31, 2014. 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 thirty (30) 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 2014 financial and compliance audit of the County on April 20, 2015 at which time we received eleven (11) working trial balances summarizing the respective general ledgers.
- As requested by management, the above date was changed to be a start date of May 26, 2015 during which time we had received sixteen (16) working trial balances summarizing the respective general ledgers.
- We received the remaining trial balances May 27, 2015.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-001 General Accounting Matters (Continued)

- The budget for the General Fund (which is required for the financial statements / reports) was received on June 18, 2015.
- Bank statements for the General Fund and Water Fund were not received until June 2015.
- Support for the testing of several journal entries was 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, 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, 2014.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-001 General Accounting Matters (Continued)

Effect: The ultimate effect of the above condition is:

- A delayed conclusion to the 2014 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 the 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 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 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-002 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, 2014.

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, 2014.

Effect: The following audit adjustments were required for the year ending December 31, 2014:

- Entries relative to property taxes to the General Fund resulting in a $29,281 decrease in fund balance;
- Entries relative to the local option sales tax to the General Fund resulting in a $222,285 increase in fund balance;
- Entries relative to the public safety fees to the General Fund resulting in a $24,324 increase in fund balance;
- Entries relative to the grant expenditures to the 2014 SPLOST Fund resulting in a $14,994 decrease in fund balance;
- Entries relative to bond draw requests to the Public Facilities Authority resulting in a $1,095,431 increase in accounts receivable and decrease in expenditures;
- Entries relative to grant revenue to the CDBG Water Grant Fund resulting in a $19,458 decrease in accounts receivable and 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 time frames 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, 2014 SPLOST Fund, Public Facilities Authority and CDBG Water Grant Fund. We plan to begin recognizing and recording all necessary revenue and receivable at the end of each year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-003 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 2014, 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, 2014.

Effect: The following audit adjustments were required for the year ending December 31, 2014:

- Entries to the General Fund resulting in a $51,005 decrease in fund balance and reclassifications of $278,565;
- Entries to the 2014 SPLOST Fund resulting in a decrease in fund balance of $519,078 and reclassifications totaling $200,025;
- Entries to the Public Facilities Authority resulting in a $2,590,099 decrease in fund balance and reclassifications of $278,565;
- Entries to the Water Fund resulting in a $72,112 decrease 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.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-004 Accounting for Accounts Payable, Retainage Payable and Expenditures (Repeat Finding)

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 principal and interest payments and capital purchases or retainage payable.

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, retainage payable and expenditure accounts at December 31, 2014.

Effect: The following audit adjustments were required for the year ending December 31, 2014:

- Entries to the 2008 SPLOST Fund resulting in a $12,665 decrease in fund balance;
- Entries to the 2014 SPLOST Fund resulting in a $585,389 decrease in fund balance and reclassifications of $942,797;
- Entries to the Public Facilities Authority Fund resulting in a $2,432,438 decrease in fund balance and reclassifications of $482,450;
- Entries to the Water Fund resulting in a $188,305 decrease in net position;
- Entries to the Landfill Fund resulting in a $91,683 increase in net position;
- Entries to the Road Fund resulting in a $52,068 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 principal and interest payments, retainage payable and capital purchases. The inappropriate bond interest was an oversight. In the future all bond interest will be recorded when it is earned.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-005 Accounting for Grants

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period. This includes revenue associated with grants awarded to the County.

Condition: The County did not properly record the receipt of grants awarded to the County for the year ended December 31, 2014.

Context: We addressed this matter with County officials, who were able to determine the appropriate adjustments so as to properly state the grant revenue and expenditure accounts at December 31, 2014.

Effect: Audit adjustments were required to record grant revenues and expenditures in the amount of $276,000.

Recommendation: We recommend the County begin recognizing and recording all necessary revenue and expenditures related to grants received.

Views of Responsible Officials and Planned Corrective Action: We agree the County failed to properly record all transactions involving the receipt of grant revenue and expenditures. In the future all grant revenue and expenditures will be properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-006 Journal Entries (Repeat Finding)

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 2014. 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 2014. 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 QUESTIONED COSTS (CONTINUED)

2014-007 Accounting for Cash Transactions and Reconciliation of Bank Accounts (Repeat Finding)

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, 2014.

Effect: Bank accounts were not reconciled and, or reviewed in the following funds or agencies for the year ending December 31, 2014:

- Public Facilities Authority's bank accounts were not reconciled in a timely manner resulting in adjustments and reclassifications totaling $2,699,734;
- County bank accounts are reconciled but are not reviewed;
- Tax Commissioner's December 2014 bank reconciliation included checks written in January 2015 listed as outstanding items.

Untimely reconciliations and the lack of a review procedure 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 Facilities 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 QUESTIONED COSTS (CONTINUED)

2014-008 Accounting for Interfund Transactions (Repeat Finding)

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, 2014.

Effect: The following audit adjustments were required for the year ending December 31, 2014:

- Entries to the 2014 SPLOST Fund resulting in reclassifications of $470,353;
- Entries to the Public Facilities Authority resulting in reclassifications of $981,999.

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.

2014-009 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.

Further, we noted a lack of segregation of duties at the Sheriff's Office, Superior Court, Tax Commissioner, and Probate Court. In those offices, we noted bank statements were being reconciled by employees of these elected officials' with no consistent review of the reconciled statements being performed. We also noted the following:

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-009 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding) (Continued)

- Sheriff's Office - individuals that prepare bank statements also take deposits to the bank and post transactions to the general ledger;
- Tax Commissioner's Office - one individual with the authority to prepare and sign checks also reconciles the bank statement.
- Probate Court – one individual with the authority to open mail, post receipts, balance cash, prepare deposits and print disbursement reports.
- Superior Court – one individual with the authority to prepare and sign checks also reconciles the bank statement

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

Effect: Failure to properly segregate duties 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, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater separation of duties relative to: making deposits, opening the mail, posting receipts, and signing of checks.

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.

ECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-010 Compliance with Collateral Requirements

Criteria:	State law requires publicly held deposits to be insured and/or collateralized at 110% of the deposit balance.
Condition:	There are not appropriate controls over cash accounts to ensure publicly held deposits are collateralized in accordance with state law, and a lack of monitoring compliance with state law.
Context:	Several attempts were made to obtain collateral confirmations related to accounts held by the County.
Effect:	Failure to properly collateralize publicly held deposits could result in the loss of such deposits should a financial institution fail.
Cause:	The lack of controls resulted in no verification that deposits were properly collateralized.
Recommendation:	We recommend the County maintain confirmation that publicly held deposits are properly insured and/or collateralized.
Views of Responsible Officials and Planned Corrective Action:	We agree that confirmation of properly collateralized public deposits was not provided. We are reviewing our controls to ensure proper collateralization of publicly held deposits.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-011 Compliance with State Law

Criteria:	State law (OCGA 48-8-121) requires SPLOST proceeds to be used exclusively for purposes specified in the resolution or ordinance calling for imposition of the tax and such proceeds be kept in a separate account.
Condition:	The County maintains separate SPLOST funds for each project and a separate fund to account for debt that will be repaid using SPLOST proceeds, resulting in many interfund transfers and interfund balances between funds. These procedures resulted in balances at December 31, 2014 due to SPLOST funds for non-SPLOST related expenditures.
Context:	During our review of interfund amounts between the various funds of the County, we noted amounts due to the SPLOST funds from the General Fund and the Water Fund.
Effect:	At December 31, 2014, the General Fund owed $33,743 to the Roads SPLOST Fund and $94,560 to the Water Capital SPLOST Fund. Additionally, the Water Fund owed the Water Capital SPLOST Fund $30,000.
Cause:	Internal controls in regard to interfund transactions were not sufficient to ensure proper expenditure of SPLOST funds.
Recommendation:	We recommend the County strengthen internal controls to ensure proper expenditure of SPLOST funds.
Views of Responsible Officials and Planned Corrective Action:	We agree. The County will review and evaluate all SPLOST funds and strengthen internal controls to ensure proper expenditure of all SPLOST funds.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2014-012 Recording of Long-Term Debt Transactions

Criteria: Generally accepted accounting principles require the inclusion in the financial statements of all debt obligations of the entity, including current year proceeds, amounts paid to reduce these obligations, and any interest incurred on the outstanding obligations.

Condition: The County did not record all payment activity including interest on its outstanding obligations. Additionally, no activity related to the current year issuance of debt was recorded.

Context: Management informed us of the need to record the current year issuance of debt and we noted other adjustments needed during the audit process. We worked with County officials to determine the appropriate adjustments.

Effect: Numerous adjustments were required in the Public Facilities Authority fund including:

- Entries in the amount of $2,216,865 to record principal and interest payments;
- An entry for $4,690,000 to record the proceeds from the 2014 Series A&B Bonds;
- Entries in the amount of $107,108 to record bond issuance costs;
- Reclassification entries in the amount of $2,626,405 to cash and investment accounts related to bonds outstanding to properly record amounts in the appropriate bank account.

Cause: Lack of management understanding of the various transactions related to bond obligations and a lack of accounting knowledge by the parties responsible for recording such amounts.

Recommendation: We recommend the County further review all bond documents and obtain an understanding of the related transactions prior to the administration and accounting of the transactions.

Views of Responsible Officials and Planned Corrective Action: We agree. We will review relative debt documents and continue to obtain additional training in the area of debt accounting and administration.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-001.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-002.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-003.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-004.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-006.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-007.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-008.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2014 and is not included as a finding for the current year.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2014-009.