MONROE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

MONROE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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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, 2015, 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 6.5% of the assets, (1.0)% of the net position, and 95.1% 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, 2015, 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.

Emphasis of Matter

As discussed in Notes 9 and 17, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68, as of January 1, 2015. These standards significantly changed the accounting for the County's net pension liability and related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress (page 57), Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 58), Schedule of County Contributions (page 59), Schedule of Employer's Net Pension Liability – Health Department (page 60), and Schedule of Employer's Pension Contributions – Health Department (page 61) 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, 2016, 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, 2016

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 3,281,970	$ 315,140	$ 3,597,110	$ 3,348,701	$ 335,288
Investments	73,866	149,774	223,640	-	-
Taxes receivable	8,169,051	-	8,169,051	-	-
Interest receivable	73	-	73	-	-
Accounts receivable, net of allowances	638,375	246,498	884,873	-	49,820
Due from other governments	2,482,684	-	2,482,684	555	-
Internal balances	239,976	(239,976)	-	-	-
Inventories	297,077	97,148	394,225	-	-
Prepaid items	-	-	-	3,807	-
Restricted assets: cash	9,180,900	106,588	9,287,488	-	-
Capital assets, non-depreciable	3,171,467	5,742,245	8,913,712	1,934,094	-
Capital assets, depreciable, net of accumulated depreciation	69,956,887	32,801,818	102,758,705	338,549	5,735
Total assets	97,492,326	39,219,235	136,711,561	5,625,706	390,843
DEFERRED OUTFLOW OF RESOURCES					
Pensions	130,036	10,924	140,960	-	37,389
Total deferred outflows of resources	130,036	10,924	140,960	-	37,389
LIABILITIES					
Accounts payable	896,371	227,524	1,123,895	25,469	19,276
Accrued liabilities	267,082	35,256	302,338	-	-
Unearned revenues	32,979	-	32,979	2,855	-
Due to other governments	124,408	-	124,408	-	-
Accrued interest	65,126	-	65,126	-	-
Customer deposits payable	-	105,775	105,775	-	-
Compensated absences due within one year	227,974	40,695	268,669	-	5,506
Compensated absences due in more than one year	341,961	32,961	374,922	-	12,671
Net pension liability	2,783,642	233,857	3,017,499		281,821
Notes payable due in more than one year	-	928,066	928,066	-	-
Bonds payable due within one year	4,215,000	-	4,215,000	-	-
Bonds payable due in more than one year	22,145,119	-	22,145,119	-	-
Landfill closure and postclosure care costs due in more than one year	-	1,136,011	1,136,011	-	-
Net OPEB obligation due in more than one year	1,217,949	-	1,217,949	-	-
Total liabilities	32,317,611	2,740,145	35,057,756	28,324	319,274
DEFERRED INFLOW OF RESOURCES					
Pensions	-	-	-	-	164,971
Total deferred inflows of resources	-	-	-	-	164,971
NET POSITION					
Net investment in capital assets	55,784,239	38,544,063	94,328,302	2,272,643	5,735
Restricted for:					
Judicial	302,799	-	302,799	-	-
Public safety	106,534	-	106,534	-	-
Capital projects	4,817,610	-	4,817,610	-	-
Unrestricted	4,293,569	(2,054,049)	2,239,520	3,324,739	(61,748)
Total net position	$ 65,304,751	$ 36,490,014	$ 101,794,765	$ 5,597,382	$ (56,013)

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 3,405,651	$ 866,950	$ -	$ 187	$ (2,538,514)	$ -	$ (2,538,514)	$ -	$ -
Judicial	1,997,840	1,233,334	-	-	(764,506)	-	(764,506)	-	-
Public safety	12,535,058	1,456,519	347,020	41	(10,731,478)	-	(10,731,478)	-	-
Public works	5,929,996	25,150	477,501	14	(5,427,331)	-	(5,427,331)	-	-
Health and welfare	1,095,269	15,960	45,887	10	(1,033,412)	-	(1,033,412)	-	-
Culture and recreation	924,684	57,704	1,342	-	(865,638)	-	(865,638)	-	-
Housing and development	306,723	-	-	-	(306,723)	-	(306,723)	-	-
Interest on long-term debt	496,999	-	-	-	(496,999)	-	(496,999)	-	-
Total governmental activities	26,692,220	3,655,617	871,750	252	(22,164,601)	-	(22,164,601)	-	-
Business-type activities:									
Water	1,986,517	1,590,454	-	-	-	(396,063)	(396,063)	-	-
Landfill	1,560,047	242,538	-	-	-	(1,317,509)	(1,317,509)	-	-
Building inspections	296,044	193,930	-	-	-	(102,114)	(102,114)	-	-
Total business-type activities	3,842,608	2,026,922	-	-	-	(1,815,686)	(1,815,686)	-	-
Total primary government	$ 30,534,828	$ 5,682,539	$ 871,750	$ 252	(22,164,601)	(1,815,686)	(23,980,287)	-	-
Component units:									
Development Authority	$ 156,922	$ 8,100	$ -	$ -	$ -	$ -	$ -	$ (148,822)	$ -
Health Department	438,859	234,415	358,674	-	-	-	-	-	154,230
Total component units	$ 595,781	$ 242,515	$ 358,674	$ -	$ -	$ -	$ -	$ (148,822)	$ 154,230
General revenues:									
Property taxes					15,833,826	-	15,833,826	-	-
Sales taxes					7,489,316	-	7,489,316	-	-
Insurance premium tax					-	1,177,838	1,177,838	-	-
Intangible tax					163,504	-	163,504	-	-
Alcoholic beverages tax					102,486	-	102,486	-	-
Other taxes					103,560	-	103,560	-	-
Unrestricted investment earnings					1,420	608	2,028	374	280
Gain on sale of capital assets					100	-	100	22,359	-
Transfers					(2,502,079)	2,502,079	-	-	-
Total general revenues and transfers					21,192,133	3,680,525	24,872,658	22,733	280
Change in net position					(972,468)	1,864,839	892,371	(126,089)	154,510
Net position, beginning of year, as restated					66,277,219	34,625,175	100,902,394	5,723,471	(210,523)
Net position, end of year					$ 65,304,751	$ 36,490,014	$ 101,794,765	$ 5,597,382	$ (56,013)

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

MONROE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,696,439	$ -	$ 965,131	$ -	$ 620,400	$ 3,281,970
Investments	189	-	-	-	73,677	73,866
Taxes receivable (net)	8,169,051	-	-	-	-	8,169,051
Accounts receivable	567,132	-	-	-	71,243	638,375
Interest receivable	-	-	-	-	73	73
Due from other governments	345,021	1,676,005	-	461,658	-	2,482,684
Due from other funds	895,545	-	2,735,875	570,279	4,327,184	8,528,883
Inventories	297,077	-	-	-	-	297,077
Restricted cash	-	9,180,900	-	-	-	9,180,900
Total assets	$ 11,970,454	$ 10,856,905	$ 3,701,006	$ 1,031,937	$ 5,092,577	$ 32,652,879
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 392,875	$ -	$ -	$ 468,033	$ 35,463	$ 896,371
Accrued liabilities	241,105	-	-	-	25,977	267,082
Unearned revenues	31,275	-	-	-	1,704	32,979
Due to other governments	-	107,455	3,184	13,769	-	124,408
Due to other funds	636,492	2,334,784	2,170,616	1,738,392	1,408,623	8,288,907
Total liabilities	1,301,747	2,442,239	2,173,800	2,220,194	1,471,767	9,609,747
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	2,866,750	-	-	-	-	2,866,750
Unavailable revenue - emergency services	286,968	-	-	-	-	286,968
Total deferred inflows of resources	3,153,718	-	-	-	-	3,153,718
FUND BALANCES (DEFICIT)						
Fund balances:						
Nonspendable:						
Inventories	297,077	-	-	-	-	297,077
Restricted for:						
Judicial	-	-	-	-	302,799	302,799
Public safety	-	-	-	-	106,534	106,534
Capital projects	-	8,249,770	1,527,206	-	3,290,404	13,067,380
Debt service	-	164,896	-	-	-	164,896
Assigned for:						
Culture and recreation	-	-	-	-	82,487	82,487
Unassigned	7,217,912	-	-	(1,188,257)	(161,414)	5,868,241
Total fund balances (deficit)	7,514,989	8,414,666	1,527,206	(1,188,257)	3,620,810	19,889,414
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 11,970,454	$ 10,856,905	$ 3,701,006	$ 1,031,937	$ 5,092,577	

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.	73,128,354
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,153,718
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes and contributions.	130,036
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(26,995,180)
Net pension liabilities is not due and payable in the current period and, therefore, are not reported in the funds.	(2,783,642)
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(1,217,949)
Net position of governmental activities	$ 65,304,751

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, 2015

	General	Public Facilities Authority	2008 SPLOST	2014 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 13,402,898	$ -	$ -	$ -	$ -	$ 13,402,898
Sales taxes	3,126,560	-	-	4,157,431	-	7,283,991
Other taxes	369,550	-	-	-	-	369,550
Licenses and permits	46,756	-	-	-	-	46,756
Intergovernmental	772,387	-	-	-	89,168	861,555
Charges for services	1,975,158	-	-	-	451,371	2,426,529
Fines and forfeitures	758,524	-	-	-	253,494	1,012,018
Interest income	630	577	187	-	278	1,672
Contributions	-	-	-	-	4,402	4,402
Miscellaneous	289,168	-	-	-	5,793	294,961
Total revenues	20,741,631	577	187	4,157,431	804,506	25,704,332
Expenditures						
Current:						
General government	3,434,977	-	-	-	-	3,434,977
Judicial	1,819,748	-	-	-	214,131	2,033,879
Public safety	9,999,219	-	-	-	1,374,744	11,373,963
Public works	2,952,366	-	-	-	-	2,952,366
Health and welfare	629,795	429,743	-	-	-	1,059,538
Culture and recreation	828,175	-	-	-	12,439	840,614
Housing and development	330,644	-	-	-	-	330,644
Intergovernmental	-	-	-	698,448	-	698,448
Capital outlay	-	23,037	-	3,079,565	153,813	3,256,415
Debt service:						
Principal	-	3,400,000	-	-	-	3,400,000
Interest and fiscal charges	-	900,312	-	-	-	900,312
Total expenditures	19,994,924	4,753,092	-	3,778,013	1,755,127	30,281,156
Excess (deficiency) of revenues over (under) expenditures	746,707	(4,752,515)	187	379,418	(950,621)	(4,576,824)
Other financing sources (uses):						
Proceeds from sale of capital assets	100	-	-	-	-	100
Transfers in	-	3,814,386	1,547,249	2,364,349	926,714	8,652,698
Transfers out	(1,739,668)	(3,945,514)	-	(3,293,396)	-	(8,978,578)
Total other financing sources (uses)	(1,739,568)	(131,128)	1,547,249	(929,047)	926,714	(325,780)
Net change in fund balances	(992,861)	(4,883,643)	1,547,436	(549,629)	(23,907)	(4,902,604)
Fund balance (deficit), beginning of year	8,507,850	13,298,309	(20,230)	(638,628)	3,644,717	24,792,018
Fund balance (deficit), end of year	$ 7,514,989	$ 8,414,666	$ 1,527,206	$ (1,188,257)	$ 3,620,810	$ 19,889,414

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, 2015

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

Net change in fund balances - total governmental funds	$	(4,902,604)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(1,674,594)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(1,010,430)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,312,074
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		4,000,912
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.		302,174
	$	(972,468)

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 14,450,152	$ 14,461,940	$ 13,402,898	$ (1,059,042)
Sales taxes	3,014,169	3,014,169	3,126,560	112,391
Other taxes	358,654	358,654	369,550	10,896
Licenses and permits	58,348	58,348	46,756	(11,592)
Intergovernmental	655,140	668,316	772,387	104,071
Charges for services	2,443,056	2,446,266	1,975,158	(471,108)
Fines and forfeitures	1,306,227	1,306,227	758,524	(547,703)
Investment income	-	-	630	630
Miscellaneous	72,873	119,236	289,168	169,932
Total revenues	22,358,619	22,433,156	20,741,631	(1,691,525)
Expenditures:				
Current:				
General government:				
County commissioners	1,561,805	1,409,617	924,523	485,094
Board of registrars	105,000	92,821	92,571	250
Elections	24,542	14,205	14,061	144
Financial administration	115,387	124,559	124,559	-
Purchasing	97,611	122,896	122,896	-
Fuel depot	8,680	8,413	8,068	345
Tax commissioner	332,792	398,471	398,471	-
Tax assessor	412,843	476,125	476,125	-
Board of equalization	12,016	1,872	1,539	333
Public buildings	644,980	842,691	842,691	-
Justice center	158,711	135,211	134,962	249
General insurance	2,288,635	579,059	294,511	284,548
Total general government	5,763,002	4,205,940	3,434,977	770,963
Judicial:				
Superior court	717,787	843,727	843,727	-
Clerk of superior court	375,725	425,057	425,057	-
Magistrate court	205,558	233,965	233,965	-
Probate court	290,915	308,790	308,790	-
Juvenile court	10,675	8,518	8,209	309
Total judicial	1,600,660	1,820,057	1,819,748	309
Public safety:				
Sheriff	3,577,152	4,268,675	4,268,034	641
Jail	2,073,282	2,451,435	2,451,435	-
School resource officer	135,079	165,839	165,839	-
Court security	155,791	160,597	160,597	-
Emergency services	2,330,347	2,730,085	2,730,085	-
Coroner	27,746	34,806	34,252	554
Animal control	122,793	148,973	148,973	-
Emergency management	41,455	40,782	40,004	778
Total public safety	8,463,645	10,001,192	9,999,219	1,973
Public works:				
Public roads	2,747,091	2,643,739	2,643,676	63
Maintenance and shop	255,562	308,690	308,690	-
Total public works	3,002,653	2,952,429	2,952,366	63

(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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Healthcare	$ 448,981	$ 556,550	$ 556,483	$ 67
Tick control	20,340	25,339	25,339	-
Welfare	25,792	25,792	25,792	-
Community services	24,000	24,000	22,181	1,819
Total health and welfare	519,113	631,681	629,795	1,886
Culture and recreation:				
Recreation	516,208	519,547	519,547	-
Library	277,861	308,628	308,628	-
Total culture and recreation	794,069	828,175	828,175	-
Housing and development:				
Soil conservation	39,123	52,596	52,596	-
Extension service	97,140	147,424	147,424	-
Georgia forestry commission	18,952	18,908	18,627	281
Planning and zoning	58,280	58,280	4,503	53,777
Economic development	8,100	8,100	7,425	675
Family connection	105,448	100,069	100,069	-
Total housing and development	327,043	385,377	330,644	54,733
Debt service:				
Principal	32,873	32,873	-	32,873
Interest and fiscal charges	282,436	282,436	-	282,436
Total debt service	315,309	315,309	-	315,309
Total expenditures	20,785,494	21,140,160	19,994,924	1,145,236
Excess of revenues over expenditures	1,573,125	1,292,996	746,707	(546,289)
Other financing sources (uses):				
Transfers out	(1,573,125)	(1,292,996)	(1,739,668)	(446,672)
Proceeds from sale of assets	-	-	100	100
Total other financing sources (uses)	(1,573,125)	(1,292,996)	(1,739,568)	(446,572)
Net change in fund balance	-	-	(992,861)	(992,861)
Fund balance, beginning of year	8,507,850	8,507,850	8,507,850	-
Fund balance, end of year	$ 8,507,850	$ 8,507,850	$ 7,514,989	$ (992,861)

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

ASSETS	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
CURRENT ASSETS				
Cash	$ 135,581	$ 166,472	$ 13,087	$ 315,140
Investments	149,774	-	-	149,774
Accounts receivable, net of allowances	245,296	1,202	-	246,498
Inventory	97,148	-	-	97,148
Cash	106,588	-	-	106,588
Total current assets	734,387	167,674	13,087	915,148
NONCURRENT ASSETS				
Capital assets:				
Non-depreciable	5,460,633	258,575	23,037	5,742,245
Depreciable, net of accumulated depreciation	30,632,532	1,245,700	923,586	32,801,818
Total capital assets	36,093,165	1,504,275	946,623	38,544,063
Total noncurrent assets	36,093,165	1,504,275	946,623	38,544,063
Total assets	36,827,552	1,671,949	959,710	39,459,211
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	2,312	6,949	1,663	10,924
Total deferred outflows of resources	2,312	6,949	1,663	10,924
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	217,321	9,851	352	227,524
Accrued liabilities	6,429	23,190	5,637	35,256
Compensated absences payable, current	3,174	32,141	5,380	40,695
Due to other funds	165,381	61,558	13,037	239,976
Customer deposits payable	105,775	-	-	105,775
Total current liabilities	498,080	126,740	24,406	649,226
LONG-TERM LIABILITIES				
Compensated absences	979	26,391	5,591	32,961
Accrued closure / post-closure costs	-	1,136,011	-	1,136,011
Net pension liability	49,487	148,762	35,608	233,857
Notes payable, net of current portion	928,066	-	-	928,066
Total long-term liabilities	978,532	1,311,164	41,199	2,330,895
Total liabilities	1,476,612	1,437,904	65,605	2,980,121
NET POSITION (DEFICIT)				
Investment in capital assets	36,093,165	1,504,275	946,623	38,544,063
Unrestricted	(739,913)	(1,263,281)	(50,855)	(2,054,049)
Total net position	$ 35,353,252	$ 240,994	$ 895,768	$ 36,490,014

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, 2015

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
Operating revenues:				
Charges for services:				
Water charges	$ 1,168,592	$ -	$ -	$ 1,168,592
Collection and disposal fees	-	242,538	-	242,538
Building licenses and permits	37,000	-	92,534	129,534
Rent	-	-	101,361	101,361
Service charges	105,696	-	35	105,731
Miscellaneous	279,166	-	-	279,166
Total operating revenues	1,590,454	242,538	193,930	2,026,922
Operating expenses:				
Personal services	187,730	926,979	211,227	1,325,936
Purchased/contracted services	168,922	208,728	18,218	395,868
Supplies and materials	200,252	139,953	23,662	363,867
Utilities and purchased water	796,683	-	24,088	820,771
Depreciation	618,057	284,387	18,849	921,293
Total operating expenses	1,971,644	1,560,047	296,044	3,827,735
Operating loss	(381,190)	(1,317,509)	(102,114)	(1,800,813)
Nonoperating revenues:				
Insurance premium tax	-	1,177,838	-	1,177,838
Investment income	535	72	1	608
Interest expense	(14,873)	-	-	(14,873)
Total nonoperating revenues	(14,338)	1,177,910	1	1,163,573
Loss before transfers and contributions	(395,528)	(139,599)	(102,113)	(637,240)
Transfers in	238,561	-	87,319	325,880
Capital contributions	1,155,497	55,230	965,472	2,176,199
Change in net position	998,530	(84,369)	950,678	1,864,839
Net position (deficit), beginning of year, as restated	34,354,722	325,363	(54,910)	34,625,175
Net position, end of year	$ 35,353,252	$ 240,994	$ 895,768	$ 36,490,014

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, 2015

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,442,568	$ 261,733	$ 213,057	$ 1,917,358
Payments to suppliers and service providers	(1,263,549)	(475,701)	(76,107)	(1,815,357)
Payments to employees	(196,854)	(963,888)	(214,247)	(1,374,989)
Payments for interfund services received	88,903	-	-	88,903
Net cash provided by (used in) operating activities	71,068	(1,177,856)	(77,297)	(1,184,085)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Insurance premium taxes	-	1,177,838	-	1,177,838
Transfers in	238,561	-	87,319	325,880
Net cash provided by noncapital financing activities	238,561	1,177,838	87,319	1,503,718
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(1,121,876)	(12,829)	-	(1,134,705)
Interest paid	(14,873)	-	-	(14,873)
Net cash used in capital and related financing activities	(1,136,749)	(12,829)	-	(1,149,578)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(535)	-	-	(535)
Proceeds from issuance of note payable	928,066	-	-	928,066
Interest on investments	535	72	1	608
Net cash provided by investing activities	928,066	72	1	928,139
Net increase (decrease) in cash and cash equivalents	100,946	(12,775)	10,023	98,194
Cash and cash equivalents:				
Beginning of year	141,223	179,247	3,064	323,534
End of year	$ 242,169	$ 166,472	$ 13,087	$ 421,728
Classified as:				
Cash and cash equivalents	$ 135,581	$ 166,472	$ 13,087	$ 315,140
Restricted assets, cash and cash equivalents	106,588	-	-	106,588
	$ 242,169	$ 166,472	$ 13,087	$ 421,728

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (381,190)	$ (1,317,509)	$ (102,114)	$ (1,800,813)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	618,057	284,387	18,849	921,293
(Increase) decrease in:				
Accounts receivable	(157,370)	19,195	19,127	(119,048)
Inventory	7,302	-	-	7,302
Due from other governments	-	-	(1,663)	(1,663)
Deferred outflows of resources - pension	(2,312)	(6,949)	-	(9,261)
Increase (decrease) in:				
Accounts payable	(104,994)	(31,912)	207	(136,699)
Accrued liabilities	(3,102)	(25,466)	945	(27,623)
Compensated absences	218	7,315	524	8,057
Due to other funds	88,903	(132,518)	(10,346)	(53,961)
Accrued closure/post-closure costs	-	37,410	-	37,410
Customer deposits payable	9,484	-	-	9,484
Net pension liability	(3,928)	(11,809)	(2,826)	(18,563)
Net cash provided by (used in) operating activitie	$ 71,068	$ (1,177,856)	$ (77,297)	$ (1,184,085)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets purchased by other funds	$ 1,155,497	$ 55,230	$ 965,472	$ 2,176,199
Total noncash investing, capital and financing activities	$ 1,155,497	$ 55,230	$ 965,472	$ 2,176,199

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

MONROE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Private Purpose Trust Fund	
	Veterans' Memorial	Agency Funds
ASSETS		
Cash	$ 6,877	$ 3,236,730
Taxes receivable	-	12,423,132
Due from others	-	2,282
Total assets	$ 6,877	$ 15,662,144
LIABILITIES		
Due to others	$ -	$ 3,239,012
Uncollected taxes	-	12,423,132
Total liabilities	-	$ 15,662,144
NET POSITION		
Restricted for veterans' memorial	$ 6,877	

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, 2015

	Private Purpose Trust Fund
	Veterans' Memorial
ADDITIONS	
Contributions	$ 755
Interest income	4
Total additions	759
DEDUCTIONS	
Veterans' memorial	330
Total deductions	330
Change in net position	429
Net position, beginning of the year	6,448
Net position, end of the year	$ 6,877

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. The investment in Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value.

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 has one item that qualifies for reporting in this category. This item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

In addition to liabilities, the statement of net position and the governmental funds balance sheets 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.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Monroe County Defined Benefit Plan (The Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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	$	(569,935)
Bonds payable		(26,360,119)
Accrued interest payable		(65,126)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(26,995,180)

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	$	1,261,387
Depreciation expense		(2,935,981)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(1,674,594)

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:

Principal repayments:		
Bonds payable	$	3,400,000
Claims and judgments payable		205,325
Amortization of premium		395,587
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	4,000,912

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	$	19,977
Accrued interest		7,726
Net pension liability and related deferred outflow/inflow of resources		351,002
Net OPEB obligation		(76,531)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	302,174

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.

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, 2015, the following funds had deficit fund balance or net position:

	Fund Deficit
Capital Projects Funds:	
2014 SPLOST Fund	$ 1,188,257
SPLOST Fire Fund	16,485
SPLOST Public Safety Facilities Fund	4,109
SPLOST Patrol Vehicle Fund	140,820
Proprietary Funds:	
Building Inspection Fund	49,803

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, 2015, the County's investments in the Georgia Fund 1 were rated AAAf by Standard & Poor's.

At December 31, 2015, the County had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	36 day weighted-average	$ 149,702
Certificates of Deposit	14 months weighted-average	73,938
		$ 223,640

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, 2015, 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, 2015, consist of the following:

	General Fund	Public Facilities Authority	2014 SPLOST Fund	Water Fund	Landfill Fund	Nonmajor Governmental Funds	Total
Receivables:							
Taxes	$ 8,657,871	$ -	$ -	$ -	$ -	$ -	$ 8,657,871
Accounts	1,428,035	-	-	352,837	24,168	71,243	1,876,283
Interest	-	-	-	-	-	73	73
Due from other governments	345,021	1,676,005	461,658	-	-	-	2,482,684
Gross receivables	10,430,927	1,676,005	461,658	352,837	24,168	71,316	13,016,911
Less allowance	(1,349,723)	-	-	(107,541)	(22,966)	-	(1,480,230)
Net receivables	$ 9,081,204	$ 1,676,005	$ 461,658	$ 245,296	$ 1,202	$ 71,316	$ 11,536,681

Property taxes were levied on September 24, 2015. Bills are payable on or before December 22, 2015, 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 2015 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2015 and collected by February 29, 2016 are recognized as revenues in the year ended December 31, 2015. Net receivables estimated to be collected subsequent to February 29, 2016 are deferred as of December 31, 2015 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, 2015.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2015, 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	1,721,178	890,543	(55,230)	-	2,556,491
Total	2,336,154	890,543	(55,230)	-	3,171,467
Capital assets, being depreciated:					
Buildings	17,321,321	-	(942,797)	-	16,378,524
Building improvements	1,404,802	129,885	-	-	1,534,687
Land improvements	2,388,673	-	-	-	2,388,673
Infrastructure	100,874,644	-	-	-	100,874,644
Intangibles	92,012	-	-	-	92,012
Machinery & equipment	13,034,358	240,959	(127,537)	-	13,147,780
Total	135,115,810	370,844	(1,070,334)	-	134,416,320
Less accumulated depreciation for:					
Buildings	3,696,953	344,766	(362)	-	4,041,357
Building improvements	142,563	40,717	-	-	183,280
Land improvements	1,814,103	33,978	-	-	1,848,081
Infrastructure	45,485,108	2,016,130	-	-	47,501,238
Intangibles	34,723	9,201	-	-	43,924
Machinery & equipment	10,465,136	491,189	(114,772)	-	10,841,553
Total	61,638,586	2,935,981	(115,134)	-	64,459,433
Total capital assets, being depreciated, net	73,477,224	(2,565,137)	(955,200)	-	69,956,887
Governmental activities capital assets, net	$ 75,813,378	$ (1,674,594)	$ (1,010,430)	$ -	$ 73,128,354

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	$ 23,037	$ -	$ -	$ 362,734
Construction in progress	5,555,447	2,349,440	(9,259)	(2,516,117)	5,379,511
Total	5,895,144	2,372,477	(9,259)	(2,516,117)	5,742,245
Capital assets, being depreciated:					
Land (landfill)	3,882,519	-	-	-	3,882,519
Buildings	771,647	942,435	-	-	1,714,082
Improvements	1,121,479	-	-	-	1,121,479
Infrastructure	34,043,038	-	-	2,516,117	36,559,155
Machinery & equipment	3,266,543	5,249	-	-	3,271,792
Total	43,085,226	947,684	-	2,516,117	46,549,027
Less accumulated depreciation for:					
Land (landfill)	3,645,401	91,683	-	-	3,737,084
Buildings	114,008	34,775	-	-	148,783
Improvements	759,826	54,850	-	-	814,676
Infrastructure	6,412,144	609,552	-	-	7,021,696
Machinery & equipment	1,894,537	158,160	(27,727)	-	2,024,970
Total	12,825,916	949,020	(27,727)	-	13,747,209
Total capital assets, being depreciated, net	30,259,310	(1,336)	27,727	2,516,117	32,801,818
Business-type activities capital assets, net	$ 36,154,454	$ 2,371,141	$ 18,468	$ -	$ 38,544,063

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	$ 175,618
Judicial	8,100
Public safety	493,278
Public works	2,166,179
Health and welfare	12,694
Culture and recreation	80,112
Total depreciation expense - governmental activities	$ 2,935,981
Business-type activities:	
Water Fund	$ 645,258
Landfill	284,913
Conference Center	18,849
Total depreciation expense - business-type activities	$ 949,020

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,941,590	$ -	$ (17,641)	$ -	$ 1,923,949
Improvements	7,445	2,700	-	-	10,145
Total	1,949,035	2,700	(17,641)	-	1,934,094
Capital assets, being depreciated:					
Improvements	398,913	-	-	-	398,913
Total	398,913	-	-	-	398,913
Less accumulated depreciation for:					
Improvements	39,892	20,472	-	-	60,364
Total	39,892	20,472	-	-	60,364
Total capital assets, being depreciated, net	359,021	(20,472)	-	-	338,549
Development Authority capital assets, net	$ 2,308,056	$ (17,772)	$ (17,641)	$ -	$ 2,272,643

NOTE 7. SHORT-TERM DEBT

On September 15, 2015, the Board of Commissioners approved a resolution authorizing a tax anticipation note for the borrowing of $2,500,000 at an interest rate of 1.74%. This note was repaid in December 2015.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax Anticipation Note	$ -	$ 2,500,000	$ (2,500,000)	$ -

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, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 28,660,000	$ -	$ (3,400,000)	$ 25,260,000	$ 4,215,000
Plus unamortized premium	1,495,706	-	(395,587)	1,100,119	-
General obligation bonds, net	30,155,706	-	(3,795,587)	26,360,119	4,215,000
Capital leases	-	-	-	-	-
Compensated absences	589,912	270,555	(290,532)	569,935	227,974
Claims and judgments	205,325	-	(205,325)	-	-
Net pension liability	3,004,608	2,092,427	(2,313,393)	2,783,642	-
Net OPEB obligation	1,141,418	147,329	(70,799)	1,217,948	-
Governmental activities Long-term liabilities	$ 35,096,969	$ 2,510,311	$ (6,675,636)	$ 30,931,644	$ 4,442,974
Business-type activities:					
Notes payable	$ -	$ 1,206,231	$ (278,165)	$ 928,066	$ -
Landfill closure and postclosure costs	1,098,601	37,410	-	1,136,011	-
Compensated absences	65,599	42,199	(32,939)	74,859	41,426
Net pension liability	252,420	175,787	(194,350)	233,857	-
Business-type activities Long-term liabilities	$ 1,416,620	$ 1,461,627	$ (505,454)	$ 2,372,793	$ 41,426

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, 2015.

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, 2015 was $1,135,000.

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, 2015 was $10,295,000.

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, 2015 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, 2015 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, 2015 was $1,280,000.

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, 2015:

Year ending December 31,	Principal	Interest	Total
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	960,000	213,065	1,173,065
2021-2025	3,945,000	714,926	4,659,926
2026-2028	2,630,000	152,389	2,782,389
	$ 25,260,000	$ 3,405,436	$ 28,665,436

Notes Payable: During the year ended December 31, 2015, the Water Fund incurred debt to the Georgia Environmental Finance Authority for the extension of water mains and all related appurtenances. The line of credit agreement for $1,983,000, of which $1,206,231 has been draw down as of December 31, 2015, is in the draw down phase. Repayment will be determined when construction is complete and all draws have been made. The loan agreement allows for $500,000 of the loan to be forgiven throughout the construction period. As of December 31, 2015, $278,165 has been forgiven. The net amount of the note payable as of December 31, 2015 is $928,066.

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 $1,136,011 at December 31, 2015, represents the cumulative amount reported to date based on the use of 25% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $3,404,545 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, 2015 for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2015 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, 2015, is as follows:

Due to/from other funds:

	Receivable Funds				
Payable Funds	General Fund	2008 SPLOST Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 491,053	$ 145,439	$ 636,492
Public Facilities Authority Fund	42,000	311,667	-	1,981,117	2,334,784
2008 SPLOST Fund	-	-	-	2,170,616	2,170,616
2014 SPLOST Fund	-	1,738,382	-	10	1,738,392
Water Fund	135,381	-	-	30,000	165,381
Landfill Fund	61,558	-	-	-	61,558
Nonmajor Governmental Funds	643,569	685,826	79,226	2	1,408,623
Nonmajor Enterprise Fund	13,037	-	-	-	13,037
Total	$ 895,545	$ 2,735,875	$ 570,279	$ 4,327,184	$ 8,528,883

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	Total
Public Facilities Authority	$ 520,990	$ -	$ 3,293,396	$ 3,814,386
2008 SPLOST Fund	-	1,547,249	-	1,547,249
2014 SPLOST Fund	1	2,364,348	-	2,364,349
Water Fund	238,561	-	-	238,561
Nonmajor Governmental Funds	892,797	33,917	-	926,714
Nonmajor Enterprise Funds	87,319	-	-	87,319
Total	$ 1,739,668	$ 3,945,514	$ 3,293,396	$ 8,978,578

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, 2015, the County paid $24,794 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

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Monroe County Defined Benefit Plan (the Plan), covering the majority of all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the 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. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Plan Membership

As of January 1, 2014, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	66
Terminated plan participants entitled to but not receiving benefits	100
Active employees participating in the Plan	190
Total number of Plan Participants	356

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the year ended December 31, 2015, the County's contribution rate was 15.20% of annual payroll. County contributions to the Plan were $1,147,758 for the year ended December 31, 2015.

Net Pension Liability of the County

Effective January 1, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% - 5.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30%	6.78%
Large Cap equity	30%	9.77%
International equity	15%	7.48%
Other equity	20%	9.23%
Real estate	5%	10.63%
	100%	

* Rate shown are net of the 3.00% assumed rate of inflation.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2014	$ 22,018,712	$ 18,761,684	$ 3,257,028
Changes for the year:			
Service cost	377,611	-	377,611
Interest	1,621,820	-	1,621,820
Contributions - employer	-	1,147,758	(1,147,758)
Net investment income	-	1,330,402	(1,330,402)
Benefit payments, including refunds of employee contributions	(788,883)	(788,883)	-
Administrative expenses	-	(37,988)	37,988
Other changes	-	(201,212)	201,212
Net changes	1,210,548	1,450,077	(239,529)
Balances at December 31, 2015	$ 23,229,260	$ 20,211,761	$ 3,017,499

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
County's net pension liability	$ 6,021,249	$ 3,017,499	$ 512,939

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 a long-term perspective.

Calculations are based on the substantive plan in effect as of December 31, 2014 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2015, the County recognized pension expense of $767,269. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 49,405
Other changes in assumptions	91,555
Total	$ 140,960

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2016	$	35,240
2017		35,240
2018		35,240
2019		35,240
Total	$	140,960

B. Health Department – Component Unit

Plan Description

All full-time personnel employed by the Board of Health participate in the Employees' Retirement System of Georgia (ERS), which is a cost-sharing multiple employer, defined benefit, public employee retirement system (PERS). ERS provides service retirement, disability retirement, and survivor's benefits for its members. Members may retire and receive a normal monthly retirement benefit after 10 years of creditable service and the age of 65. Early retirement at the age of 60 may be elected, with a 5% reduction of benefits for each year under the age of 65 if the individual has fewer than 30 years of creditable service. Individuals with 30 years of creditable service may retire early, regardless of age. Death benefits and disability retirement benefits vary according to years of service. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest. For the year ended June 30, 2015, the Board of Health's total payroll for all employees was $219,537 and total covered payroll was $198,440. Covered payroll refers to all compensation paid by the Board of Health to active employees covered by the plan.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Contributions

The Board contribution is set by the ERS Board of Trustees, dependent on the recommendation of the System's actuary. Such employer contributions fund the major portion of benefits under ERS and are adjusted periodically to insure actuarial soundness of the System. The employer contribution rate varies depending on which retirement plan an employee is enrolled. Employees whose full-time employment began before July 1, 1982, participate in the "old" plan. The employer contribution rate for this plan was 22.21%. Employees whose full-time employment began between July 1, 1982, and December 31, 2008, are enrolled in the "new" plan and the employer contribution rate for this plan was 21.96%. All employees whose full-time employment began after January 1, 2009, are enrolled in the GSEPS plan. The employer contribution rate for this plan was 18.87% for FY 15. All members of the system contribute varying percentages for Retirement Contributions and Group Term Life Insurance depending on which retirement plan the employee is enrolled. Those enrolled in the "old" plan contribute a total of 6.5% of Earnable Compensation (6.25% for retirement and .25% for Group Term Life). Those enrolled in the "new" plan contribute 1.5% (1.25% for retirement and .25% for Group Term Life). Employees enrolled in the GSEPS plan contribute 1.25% (all retirement contributions). All employee contributions on deposit at least one year earn four percent interest compounded annually In addition, participants in the GSEPS plan can voluntarily participate in a 401k plan. Members in this plan will receive a 1% salary match from the state on the first 1% of compensation contributed by the employee. For each additional percent contributed by an employee (up to 4%), the state will match 50% of that amount (up to 2% of compensation). The 401k employer contribution is subject to a five year vesting schedule, vesting 20% for each completed year of service in a GSEPS-eligible position.

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

At June 30, 2015, the Monroe County Board of Health reported a liability of $281,821 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board of Health's proportion of the net pension liability was based on a projection of the Board of Health's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the Board of Health's proportion was .007514%, which was a decrease of .003221% from its proportion measured as of June 30, 2013.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the Board of Health recognized pension expense of $(42,908). At June 30, 2015, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 68,784
Other changes in assumptions	-	96,187
Employer contributions subsequent to the measurement date	37,389	-
Total	$ 37,389	$ 164,971

The $37,389 of deferred outflows of resources resulting from the Board of Health's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30:	
2016	$ (77,313)
2017	(53,266)
2018	(17,196)
2019	(17,196)
Total	$ (164,971)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.0 percent
Salary Increases 5.45 - 9.25 percent, including inflation
Investment Rate of Return 7.5 percent, including inflation

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Health Department – Component Unit (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 - June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic Large Stocks	39.70%	6.50%
Domestic Mid Stocks	3.70%	10.00%
Domestic Small Stocks	1.60%	13.00%
International Developed Market Stocks	18.90%	6.50%
International Emerging Market Stocks	6.10%	11.00%
	100.00%	

* Rate shown are net of the 3.00% assumed rate of inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Sensitivity of the Board of Health's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Board of Health's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Board of Health's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
Board's net pension liability	$ 410,952	$ 281,821	$ 171,902

Actuarial Valuation Date

June 30, 2013 is the actuarial valuation date upon which the total pension liability for the plan is based. An expected total pension liability is determined as of June 30, 2014 using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Employees' Retirement System of Georgia financial report. That report may be obtained via the internet at www.ers.ga.gov.

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, 2015. 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, 2015. 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 2015, 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 2015. 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	$ 1,141,418
Annual OPEB Cost for Year	147,329
Actual Contributions to Plan for Current Year	(70,798)
Increase in Net OPEB Obligation	76,531
Net OPEB Obligation as of End of the Year	$ 1,217,949

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
1/1/15	$ 147,329	$ 70,798	48 %	$ 1,217,949
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

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, 2015 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, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014
Unpaid claims, beginning of fiscal year	$ 280,159	$ 245,300
Incurred claims	2,354,879	2,705,823
Claims Paid	2,349,936	2,670,964
Unpaid claims, end of fiscal year	$ 285,102	$ 280,159

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, 2015, the County has contractual commitments on uncompleted construction contracts of approximately $540,000.

Litigation:

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

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLES

As discussed in Note 11, the County and the Health Department implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015. The new standards significantly changed the accounting for pension amounts. As a result of this change in accounting principle, the County and the Health Department were required to restate beginning net position for the following opinion units as shown below:

	Governmental Activities	Business-type Activities
Net position, as previously reported	$ 69,321,865	$ 34,877,595
Restatement for implementation of GASB Statement No. 68:		
Net pension liability as of December 31, 2014	(3,044,646)	(252,420)
Net position, as restated	$ 66,277,219	$ 34,625,175

	Water Fund	Landfill Fund	Nonmajor Enterprise Funds
Net position, as previously reported	$ 34,408,137	$ 485,934	$ (16,476)
Restatement for implementation of GASB Statement No. 68:			
Net pension liability as of December 31, 2014	(53,415)	(160,571)	(38,434)
Net position, as restated	$ 34,354,722	$ 325,363	$ (54,910)

	Health Department
Net position, as previously reported	$ 279,177
Restatement for implementation of GASB Statement No. 68:	
Net pension liability as of December 31, 2014	(489,700)
Net position, as restated	$ (210,523)

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

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.

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total pension liability	
Service cost	$ 377,611
Interest on total pension liability	1,651,403
Benefit payments, including refunds of employee contributions	(818,466)
Net change in total pension liability	1,210,548
Total pension liability - beginning	22,018,712
Total pension liability - ending (a)	$ 23,229,260
Plan fiduciary net position	
Contributions - employer	$ 1,147,758
Net investment income	1,330,402
Benefit payments, including refunds of employee contributions	(788,883)
Administrative expenses	(37,988)
Other	(201,212)
Net change in fiduciary net position	1,450,077
Plan fiduciary net position - beginning	18,761,684
Plan fiduciary net position - ending (b)	$ 20,211,761
County's net pension liability - ending (a) - (b)	$ 3,017,499
Plan fiduciary net position as a percentage of total pension liability	87.01%
Covered-employee payroll	7,552,981
County's net pension liability as a percentage of covered -employee payroll	39.95%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

SCHEDULE OF COUNTY CONTRIBUTIONS

	2015	2014
Actuarially determined contribution	$ 1,147,758	$ 1,399,777
Contributions in relation to the actuarially determined contribution	1,147,758	1,399,777
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	7,552,981	7,262,744
Contributions as a percentage of Covered-employee payroll	15.20%	19.27%

Notes to the Schedule

Valuation Date	January 1, 2014
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	3.55% - 5.50% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

MONROE COUNTY BOARD OF HEALTH
SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY
AS OF JUNE 30, 2015

	2015
Proportion of the net pension liability	.007514%
Proportionate share of the net pension liability	$ 281,821
Covered-employee payroll	$ 198,440
Proportionate share of the net pension liability as a percentage of covered-employee payroll	142.0%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

MONROE COUNTY BOARD OF HEALTH
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
AS OF JUNE 30, 2015

	2015
Contractually required contribution	$ 37,389
Contributions made in relation to the contractually required contribution	(37,389)
Contribution deficit (excess)	$ -
Covered-employee payroll	$ 198,440
Contributions made as a percentage of covered-employee payroll	18.84%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – HEALTH DEPARTMENT

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions relating to the Employees' Retirement System of Georgia.

Changes of benefit terms - A new tier benefit was added for members joining the system on and after July 1, 2009.

Changes of assumptions - In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions - The actuarially determined contribution rates in the schedule of employer's contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates reported in those schedules:

Actuarial Cost Method	Entry Age
Amortization Method	Level dollar, open
Remaining Amortization Period	30 Years
Asset Valuation Method	7-year smoothed market
Inflation	3%
Salary Increases:	
Fiscal Year 2011	0%
Fiscal Year 2012-2013	2.725 - 4.625%
Fiscal Year 2014+, including inflation	5.45 - 9.25%
Investment Rate of Return	7.5% net of pension plan investment expense, including inflation

The schedule will present 10 years of information once it is accumulated.

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 Fees 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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 SPLOST 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, 2015

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
ASSETS			
Cash	$ 392,159	$ 228,241	$ 620,400
Investments	73,677	-	73,677
Accounts receivable	71,243	-	71,243
Interest receivable	73	-	73
Due from other funds	51,548	4,275,636	4,327,184
Total assets	$ 588,700	$ 4,503,877	$ 5,092,577
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 24,507	$ 10,956	$ 35,463
Accrued liabilities	25,977	-	25,977
Unearned revenue	1,704	-	1,704
Due to other funds	43,692	1,364,931	1,408,623
Total liabilities	95,880	1,375,887	1,471,767
FUND BALANCES (DEFICIT)			
Restricted for:			
Judicial	302,799	-	302,799
Public safety	106,534	-	106,534
Capital projects	1,000	3,289,404	3,290,404
Assigned for:			
Culture and recreation	82,487	-	82,487
Unassigned	-	(161,414)	(161,414)
Total fund balances	492,820	3,127,990	3,620,810
Total liabilities and fund balances	$ 588,700	$ 4,503,877	$ 5,092,577

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds	Capital Project Funds	Total Governmental Funds
Revenues:			
Intergovernmental	$ 89,168	$ -	$ 89,168
Fines and forfeitures	253,494	-	253,494
Charges for services	451,371	-	451,371
Interest income	213	65	278
Contributions	4,402	-	4,402
Miscellaneous	5,793	-	5,793
Total revenues	804,441	65	804,506
Expenditures:			
Current:			
Judicial	214,131	-	214,131
Public safety	1,374,077	667	1,374,744
Culture and recreation	12,439	-	12,439
Capital outlay	-	153,813	153,813
Total expenditures	1,600,647	154,480	1,755,127
Deficiency of revenues under expenditures	(796,206)	(154,415)	(950,621)
Other financing sources (uses):			
Transfers in	630,467	296,247	926,714
Total other financing sources (uses)	630,467	296,247	926,714
Net change in fund balances	(165,739)	141,832	(23,907)
Fund balances, beginning of year	658,559	2,986,158	3,644,717
Fund balances, end of year	$ 492,820	$ 3,127,990	$ 3,620,810

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
ASSETS					
Cash	$ 25,807	$ 18,028	$ 5,123	$ 17,083	$ 20,360
Investments	56,615	-	17,062	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	65	-	8	-	-
Due from other funds	-	1,999	-	-	-
Total assets	$ 82,487	$ 20,027	$ 22,193	$ 17,083	$ 20,360
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 2,202	$ 281
Accrued liabilities	-	-	-	-	496
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	6,067	7,818
Total liabilities	-	-	-	8,269	8,595
FUND BALANCES					
Restricted for:					
Judicial	-	-	22,193	-	-
Public safety	-	20,027	-	8,814	11,765
Capital projects	-	-	-	-	-
Assigned for:					
Culture and recreation	82,487	-	-	-	-
Total fund balances	82,487	20,027	22,193	8,814	11,765
Total liabilities and fund balances	$ 82,487	$ 20,027	$ 22,193	$ 17,083	$ 20,360

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
$ 27,307	$ 255,798	$ 33	$ 1,000	$ 422	$ 15,436	$ 3,212	$ 2,550	$ 392,159
-	-	-	-	-	-	-	-	73,677
71,243	-	-	-	-	-	-	-	71,243
-	-	-	-	-	-	-	-	73
-	31,925	11,540	-	-	6,084	-	-	51,548
$ 98,550	$ 287,723	$ 11,573	$ 1,000	$ 422	$ 21,520	$ 3,212	$ 2,550	$ 588,700
$ 14,525	$ 3,621	$ 1,365	$ -	$ -	$ 2,513	$ 0	$ -	$ 24,507
21,139	4,342	-	-	-	-	-	-	25,977
-	1,704	-	-	-	-	-	-	1,704
27,307	-	-	-	104	-	2,396	-	43,692
62,971	9,667	1,365	-	104	2,513	2,396	-	95,880
-	278,056	-	-	-	-	-	2,550	302,799
35,579	-	10,208	-	318	19,007	816	-	106,534
-	-	-	1,000	-	-	-	-	1,000
-	-	-	-	-	-	-	-	82,487
35,579	278,056	10,208	1,000	318	19,007	816	2,550	492,820
$ 98,550	$ 287,723	$ 11,573	$ 1,000	$ 422	$ 21,520	$ 3,212	$ 2,550	$ 588,700

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	8,229	2,373	17,145	120,036	44,401
Charges for services	5,706	-	-	-	-
Interest income	-	3	18	9	1
Contributions	1,342	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	15,277	2,376	17,163	120,045	44,402
Expenditures:					
Current:					
Judicial	-	-	26,167	-	-
Public safety	-	14,349	-	275,902	45,906
Culture and recreation	12,439	-	-	-	-
Total expenditures	12,439	14,349	26,167	275,902	45,906
Excess (deficiency) of revenues over (under) expenditures	2,838	(11,973)	(9,004)	(155,857)	(1,504)
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	2,838	(11,973)	(9,004)	(155,857)	(1,504)
Fund balances (deficit) , beginning of year	79,649	32,000	31,197	164,671	13,269
Fund balances, end of year	$ 82,487	$ 20,027	$ 22,193	$ 8,814	$ 11,765

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
$ -	$ 72,314	$ -	$ -	$ -	$ 16,854	$ -	$ -	$ 89,168
-	60,195	-	-	-	-	-	1,115	253,494
445,665	-	-	-	-	-	-	-	451,371
4	174	2	-	-	2	-	-	213
-	-	-	-	-	-	3,060	-	4,402
-	5,793	-	-	-	-	-	-	5,793
445,669	138,476	2	-	-	16,856	3,060	1,115	804,441
-	187,964	-	-	-	-	-	-	214,131
1,002,100	-	28,225	-	-	5,603	1,747	245	1,374,077
-	-	-	-	-	-	-	-	12,439
1,002,100	187,964	28,225	-	-	5,603	1,747	245	1,600,647
(556,431)	(49,488)	(28,223)	-	-	11,253	1,313	870	(796,206)
591,967	-	-	38,500	-	-	-	-	630,467
591,967	-	-	38,500	-	-	-	-	630,467
35,536	(49,488)	(28,223)	38,500	-	11,253	1,313	870	(165,739)
43	327,544	38,431	(37,500)	318	7,754	(497)	1,680	658,559
$ 35,579	$ 278,056	$ 10,208	$ 1,000	$ 318	$ 19,007	$ 816	$ 2,550	$ 492,820

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
ASSETS					
Cash	$ 14,199	$ 74,539	$ 1,007	$ -	$ -
Due from other funds	2,155,959	-	278,350	-	-
Total assets	$ 2,170,158	$ 74,539	$ 279,357	$ -	$ -
LIABILITIES AND FUND BALANCES					
Accounts payable	$ -	$ -	$ -	$ 4,109	$ 5,697
Due to other funds	187,531	91,024	276,476	-	135,123
Total liabilities	187,531	91,024	276,476	4,109	140,820
FUND BALANCES (DEFICIT)					
Restricted for:					
Capital projects	1,982,627	-	2,881	-	-
Unassigned	-	(16,485)	-	(4,109)	(140,820)
Total fund balances (deficit)	1,982,627	(16,485)	2,881	(4,109)	(140,820)
Total liabilities and fund balances	$ 2,170,158	$ 74,539	$ 279,357	$ -	$ -

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 26,285	$ 112,211	$ -	$ -	$ 228,241
369,981	558,964	261,001	651,381	4,275,636
$ 396,266	$ 671,175	$ 261,001	$ 651,381	$ 4,503,877
$ -	$ -	$ 1,150	$ -	$ 10,956
307,325	130,513	229,438	7,501	1,364,931
307,325	130,513	230,588	7,501	1,375,887
88,941	540,662	30,413	643,880	3,289,404
-	-	-	-	(161,414)
88,941	540,662	30,413	643,880	3,127,990
$ 396,266	$ 671,175	$ 261,001	$ 651,381	$ 4,503,877

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Roads SPLOST Fund	Fire SPLOST Fund	Recreation SPLOST Fund	Public Safety Facilities SPLOST Fund	Patrol Vehicles SPLOST Fund
Revenues:					
Interest income	$ 14	$ 38	$ -	$ -	$ -
Total revenues	14	38	-	-	-
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Capital outlay	52,736	-	8,709	10	91,691
Total expenditures	52,736	-	8,709	10	91,691
Excess (deficiency) of revenues over (under) expenditures	(52,722)	38	(8,709)	(10)	(91,691)
Other financing sources:					
Transfers in	-	-	-	296,247	-
Total other financing sources	-	-	-	296,247	-
Net change in fund balances	(52,722)	38	(8,709)	296,237	(91,691)
Fund balances (deficit), beginning of year	2,035,349	(16,523)	11,590	(300,346)	(49,129)
Fund balances (deficit), end of year	$ 1,982,627	$ (16,485)	$ 2,881	$ (4,109)	$ (140,820)

Emergency Services SPLOST Fund	Water Capital SPLOST Fund	Administration Building SPLOST Fund	Hospital SPLOST Fund	Total Capital Project Funds
$ 3	$ -	$ -	$ 10	$ 65
3	-	-	10	65
667	-	-	-	667
-	667	-	-	153,813
667	667	-	-	154,480
(664)	(667)	-	10	(154,415)
-	-	-	-	296,247
-	-	-	-	296,247
(664)	(667)	-	10	141,832
89,605	541,329	30,413	643,870	2,986,158
$ 88,941	$ 540,662	$ 30,413	$ 643,880	$ 3,127,990

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Facilities and Equipment	$ 700,000	$ 638,768	$ 8,709	$ 647,477
Administrative Facility and Equipment	3,500,000	3,474,794	-	3,474,794
Patrol Vehicles	700,000	602,214	91,691	693,905
Emergency Services Equipment	450,000	383,430	667	384,097
Public Safety Facility and Equipment	500,000	803,496	10	803,506
Roads, Streets, and Bridges	8,000,000	6,393,520	52,736	6,446,256
Construction of Water and Sewer Lines	5,354,000	4,845,452	667	4,846,119
Hospital Capital Improvements	4,300,000	3,631,849	-	3,631,849
City of Forsyth	4,200,000	4,659,287	-	4,659,287
City of Culloden	500,000	499,977	-	499,977
Total	$ 28,204,000	$ 25,932,787	$ 154,480	$ 26,087,267

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, Streets, Bridges	$ 7,000,000	$ 1,543,141	$ 3,163,069	$ 4,706,210
Construction of Water and Sewer Lines	7,000,000	5,171,825	2,266,573	7,438,398
Patrol Vehicles	800,000	2,600	66,871	69,471
Emergency Services Equipment	1,500,000	-	-	-
Recreation Facilities and Equipment	2,500,000	193,877	-	193,877
Hospital Capital Improvements	1,000,000	1,606	-	1,606
Emergency 911 Radio System Upgrade	3,100,000	1,593,914	871,167	2,465,081
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	5,281	951,135
City of Forsyth	4,600,000	588,546	624,030	1,212,576
City of Culloden	550,000	70,186	74,418	144,604
Total	$ 30,650,000	$ 10,739,350	$ 7,071,409	$ 17,810,759

Reconciliation of SPLOST schedules to financial statements:

Total of all SPLOST schedules or expenditures	$ 7,225,889
Expenditures - 2014 SPLOST Fund	$ 3,778,013
Transfers out - 2014 SPLOST Fund	3,293,396
Expenditures - nonmajor 2008 SPLOST funds	154,480
	$ 7,225,889

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
NONMAJOR ENTERPRISE FUNDS

Building Inspection Fund – To account for building inspection licensing and fees revenues and related expenditures.

Conference Center Fund – To account for activities associated with the Monroe County Conference Center.

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2015

ASSETS	Building Inspection	Conference Center	Totals
CURRENT ASSETS			
Cash	$ 8,923	$ 4,164	$ 13,087
Total current assets	8,923	4,164	13,087
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	-	23,037	23,037
Depreciable, net of accumulated depreciation	-	923,586	923,586
Total capital assets	-	946,623	946,623
Total noncurrent assets	-	946,623	946,623
Total assets	8,923	950,787	959,710
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	1,663	-	1,663
Total deferred outflows of resources	1,663	-	1,663
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	352	-	352
Accrued liabilities	4,585	1,052	5,637
Compensated absences payable, current	5,380	-	5,380
Due to other funds	8,873	4,164	13,037
Total current liabilities	19,190	5,216	24,406
LONG-TERM LIABILITIES			
Compensated absences	5,591	-	5,591
Net pension liability	35,608	-	35,608
Total long-term liabilities	41,199	-	41,199
Total liabilities	60,389	5,216	65,605
NET POSITION (DEFICIT)			
Investment in capital assets	-	946,623	946,623
Unrestricted	(49,803)	(1,052)	(50,855)
Total net position (deficit)	$ (49,803)	$ 945,571	$ 895,768

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

MONROE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Building Inspection	Conference Center	Totals
Operating revenues:			
Charges for services:			
Building licenses and permits	$ 92,534	$ -	$ 92,534
Rent	-	101,361	101,361
Service charges	35	-	35
Total operating revenues	92,569	101,361	193,930
Operating expenses:			
Personal services	146,013	65,214	211,227
Purchased/contracted services	4,114	14,104	18,218
Supplies and materials	11,187	12,475	23,662
Utilities and purchased water	-	24,088	24,088
Depreciation	-	18,849	18,849
Total operating expenses	161,314	134,730	296,044
Operating loss	(68,745)	(33,369)	(102,114)
Nonoperating revenues:			
Investment income	1	-	1
Total nonoperating revenues	1	-	1
Loss before transfers and contributions	(68,744)	(33,369)	(102,113)
Transfers in	73,851	13,468	87,319
Capital contributions	-	965,472	965,472
Change in net position	5,107	945,571	950,678
Net position (deficit), beginning of year, as restated	(54,910)	-	(54,910)
Net position (deficit), end of year	$ (49,803)	$ 945,571	$ 895,768

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

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Building Inspection	Conference Center	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 111,696	$ 101,361	$ 213,057
Payments to suppliers and service providers	(29,604)	(46,503)	(76,107)
Payments to employees	(150,085)	(64,162)	(214,247)
Net cash used in operating activities	(67,993)	(9,304)	(77,297)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	73,851	13,468	87,319
Net cash provided by noncapital financing activities	73,851	13,468	87,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1	-	1
Net cash provided by investing activities	1	-	1
Net increase in cash and cash equivalents	5,859	4,164	10,023
Cash and cash equivalents:			
Beginning of year	3,064	-	3,064
End of year	$ 8,923	$ 4,164	$ 13,087
Classified as:			
Cash and cash equivalents	$ 8,923	$ 4,164	$ 13,087
	$ 8,923	$ 4,164	$ 13,087
(Continued)			
	-	-	-

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	Building Inspection	Conference Center	Totals
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$ (68,745)	$ (33,369)	$ (102,114)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	18,849	18,849
(Increase) decrease in:			
Accounts receivable	19,127	-	19,127
Deferred outflows of resources - pensions	(1,663)		(1,663)
Increase (decrease) in:			
Accounts payable	207	-	207
Accrued liabilities	(107)	1,052	945
Compensated absences	524	-	524
Due to other funds	(14,510)	4,164	(10,346)
Net pension liability	(2,826)	-	(2,826)
Net cash used in operating activities	$ (67,993)	$ (9,304)	$ (77,297)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital assets purchased by other funds	$ -	$ 965,472	$ 965,472
Total noncash investing, capital and financing activities	$ -	$ 965,472	$ 965,472

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

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, 2015

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 2,761,640	$ 104,687	$ 110,761	$ 24,528	$ 235,114	$ 3,236,730
Taxes receivable	12,423,132	-	-	-	-	12,423,132
Due from others	-	-	-	-	2,282	2,282
Total assets	$ 15,184,772	$ 104,687	$ 110,761	$ 24,528	$ 237,396	$ 15,662,144
LIABILITIES						
Due to others	$ 2,761,640	$ 104,687	$ 110,761	$ 24,528	$ 237,396	$ 3,239,012
Uncollected taxes	12,423,132	-	-	-	-	12,423,132
Total liabilities	$ 15,184,772	$ 104,687	$ 110,761	$ 24,528	$ 237,396	$ 15,662,144

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, 2015, 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, 2016. 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. Our report includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of January 1, 2015.

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 2015-001 through 2015-009 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 2015-010 and 2015-011 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 items 2015-010 and 2015-011.

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, 2016

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2015. 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 Federal statutes, regulations, and the terms and conditions of its Federal Awards.

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance, 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 the Uniform Guidance. 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, 2015

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. ENVIRONMENTAL PROTECTION AGENCY:			
Passed through Georgia Environmental Finance Authority:			
Capitalization Grants for Drinking Water State Revolving Loan Fund	66.468	GEFA-DWSRF 13-019	1,238,370
Total U. S. Environmental Protection Agency			1,238,370
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY:			
Passed through Georgia Emergency Management Agency:			
Disaster Grant - Public Assistance	97.039	HMGP - 4165-0004	12,000
Total U. S. Federal Emergency Management Agency			12,000
Total Expenditures of Federal Awards			$ 1,275,370

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.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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 ____ no
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 no
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
66.468	U.S. Environmental Protection Agency (Pass Through Georgia Environmental Finance Authority, Capitalization Grants for Drinking Water State Revolving Loan Fund)

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 FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2015-001 General Accounting Matters (Repeat Finding of Prior Year 2014-001)

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 2015 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed December 31, 2015. 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, and related reconciliations;
- to close-out and report activities, events and transactions on a periodic basis; and,
- to reconcile details and activities considered to be significant on a monthly 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:

- We were not able to begin the audit process at the Board of Commissioner's Office until June 8, 2016. This was primarily due to not receiving closed-out general ledgers.
- We did not receive all cash reconciliations until June 27, 2016.
- We did not receive various accounts receivable listings (for water, landfill, etc.) until June 28, 2016.
- We never received all requested documentation for certain respective general journal entries along with not receiving backup on several disbursements.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-001 General Accounting Matters (Continued)

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 separation of duties relative to the preparation and review of certain reconciliations, subsidiary ledgers and the general ledger, resulting from a lack of trained and experienced personnel in the Administrative office.

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 (within a reasonable level of materiality) all respective details and reconciliations as of and for the year ended December 31, 2015.

Effect: The ultimate effect of the above condition is:

- A delayed conclusion to the 2015 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-001 General Accounting Matters (Continued)

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 a general lack of timely accountability.

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)

2015-002 Revenue Cycle Transactions (Repeat Finding of Prior Year 2014-002)

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, 2015.

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, 2015.

Effect: The following audit adjustments were required for the year ending December 31, 2015:

- Entries relative to property taxes to the General Fund resulting in a $1,241,634 decrease in fund balance;
- Entries relative to the correcting beginning fund balance in the General Fund resulting in a $131,525 increase in revenue;
- Entries relative to the intergovernmental receivables to the 2014 SPLOST Fund resulting in a $386,351 increase in fund balance;
- Entries relative to bond draw requests to the Water Fund resulting in a $103,028 increase in accounts receivable and decrease in note payable;
- Entries relative to unbilled water revenue in the Water Fund resulting in a $28,023 increase 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 respective funds. We plan to begin recognizing and recording all necessary revenue and receivable at the end of each year.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-003 Management of Due To / From and Transfer (Internal) Accounts
(Combination Repeat Finding of Prior Year Finding 2014-003 and 2014-008)

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, 2015.

Effect: The following audit adjustments were required for the year ending December 31, 2015:

- Entries to the General Fund resulting in a $300,830 decrease in fund balance and reclassifications of $278,565;
- Entries to the 2014 SPLOST Fund resulting in a increase in fund balance and reclassifications to other funds of $1,547,249;
- Entries to the CDBG Water Grant Fund resulting in a $38,500 increase in fund balance;
- Entries to the Public Safety Facilities Fund resulting in a $296,247 increase in fund balance;
- Entries to the Water Fund resulting in a $418,542 increase in net position.

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-004 Accounting for Accounts Payable, Retainage Payable and Expenditures (Repeat Finding of Prior Year 2014-004)

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, 2015.

Effect: The following audit adjustments were required for the year ending December 31, 2015:

- Entries to the 2014 SPLOST Fund resulting in a $185,562 decrease in fund balance;
- Entries to the Public Facilities Authority Fund resulting in reclassifications of $475,000 reclassifications for debt service payments;
- Entries to the Public Facilities Authority Fund resulting in a $395,951 decrease in fund balance;
- Entries to the Water Fund resulting in a $64,753 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)

2015-005 Accounting for Grants and Recording of Long-Term Debt Transactions (Combination Repeat Finding of Prior Year 2014-005)

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. Further, 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 properly record the receipt of grants and long-term debt awarded to the County from the Georgia Environmental Finance Authority (GEFA) for the year ended December 31, 2015.

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, 2015.

Effect: Audit adjustments were required to record grant revenues and expenditures in the amount of $278,165 along with loan proceeds of $928,066.

Recommendation: We recommend the County begin recognizing and recording all necessary revenue and expenditures related to grants received, and record any long-term debts accordingly.

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. We also understand and agree that matters relating to long-term debt issuances need to be more timely recorded and recognized according to any and all grant and loan documents and agreements entered into by the County.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-006 Journal Entries (Repeat Finding of Prior Year 2014-006)

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 2015. 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 four (4) 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)

2015-007 Accounting and Reconciliation of Bank Accounts
(Repeat Finding of Prior Year 2014-007)

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

Condition: We did not receive cash reconciliations (including the operating cash account of the General Fund) until June 27, 2016 (which was approximately six months after year-end).

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, 2015.

Effect: Most all bank accounts were not timely reconciled and, or reviewed for the year ending December 31, 2015. 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 prepare and review all cash reconciliations in a timely manner, and 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)

2015-008 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2014-009)

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. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees of these elected officials' with no consistent review of the reconciled statements being performed. Specifically, we noted the following:

- 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.
- Magistrate Court – 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-008 Segregation of Duties – Cash Accounts and Other Operational Functions (Continued)
(Repeat Finding of Prior Year 2014-009)

Views of Responsible Officials and Planned Corrective Action: We agree there is a lack of segregation of duties in the offices of the Sheriff, Tax Commissioner, Magistrate Court, Probate Court, and Superior Court due to the limited number of individuals in each office. We are reviewing the practices in the above mentioned offices to provide reasonable assurance that an individual cannot misappropriate funds.

2015-009 Water Billing Function

Criteria: Internal controls should be in place to ensure that all revenue due the County is properly captured and recorded. Additionally, there need to be controls in place to ensure there is adequate staffing in order to perform the necessary duties of billing and collecting these revenues as well as a system of checks and balances to ensure the staff are performing their assigned duties. Additionally, the accounting function should maintain detail of each balance sheet account and reconcile them periodically throughout the year.

Condition: During our testing of the Water Department accounts receivables and associated revenues, we noted that a detailed customer listing was not available for the year-end being audited. Additionally, the listing is not being maintained throughout the year and is not being reviewed by another member of the Finance or Water departments nor reconciled to the amounts carried on the respective general ledger.

We also noted that there were numerous errors captured with the radio meter read equipment during 2015 resulting in large adjustments to customer accounts during the year. An additional item we noted, with regards to the Water Department, was a billing error that occurred in fiscal year 2016; for one of the two County water billing cycles, customers were billed an incorrect bill in March of 2016 and not billed at all in April 2016, although, the subsequent May 2016 bill appeared to correct the prior two months' errors.

Context: The revenue cycle relative to the Water Department is not properly billing for the respective services and the respective revenues and receivables are not being recorded correctly or reconciled on a monthly basis. See above context.

Effect: The software company was contacted to retrieve an customer accounts detailed listing near year end to which the Finance Department was able to reconcile with the general ledger detail. Customer account adjustments were made by personnel in the Water Department for incorrect meter readings and faulty equipment totaling over $60,000 for the year ending December 31, 2015.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-009 Water Billing Function (Continued)

Cause: County personnel are not taking due care to ensure amounts are billed timely or correctly, and a lack of accountability is noted by virtue of no preparation of monthly reconciliations nor any review or supervision thereof. The lack of performing these most basic functions represents the cause.

Recommendation: We recommend the County consider a variety of options to addressing the above condition. First, and foremost, we recommend that the County maintain, reconcile and review a customer accounts receivable listing on a periodic basis (preferably monthly) to ensure proper recording, and that such accountability be further demonstrated via proper documentation of adequate reviews and supervision. Second, we recommend the County evaluate the staffing of the Water Department to ensure there are not future billing errors to the extent that we have noted this year. Third, we recommend the County evaluate staffing needs in order to implement a systems of 'checks and balances' within the Water Department to review and approve write-offs and adjustments to customer accounts. Lastly, we recommend the County evaluate the software it uses to read, record and bill customer water usage to ensure this is properly captured and recorded to determine if it is functioning properly.

Views of Responsible Officials and Planned Corrective Action: We agree and are in the process of implementing controls to alleviate the above Water Billing finding.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-010 Compliance with Collateral Requirements (Repeat Finding of Prior Year 2014-010)

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)

2015-011 Compliance with State Law (Repeat Finding of Prior Year 2014-011)

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, 2015 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.
Effect:	At December 31, 2015, the General Fund owed $491,053 to the 2014 SPLOST Fund.
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.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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 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.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-001.

2014-002 Revenue Cycle Transactions

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

Condition: The County did not appropriately record all transactions involving accounts receivable and revenue accounts during the year ended December 31, 2014.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-002.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-003 Management of Due To / From and Transfer (Internal) Accounts

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

Condition: During fiscal year 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.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-003.

2014-004 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 payables and expenditures.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-004.

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.

Auditee Response/Status: Unresolved. This is included as a component of current finding number 2015-005.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-006 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 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.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-006.

2014-007 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 2015-007.

2014-008 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 2015-003.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-009 Segregation of Duties - Cash Accounts and Other Operational Functions

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 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. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees of these elected officials' with no consistent review of the reconciled statements being performed.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-008.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-010.

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.

Auditee Response/Status: Unresolved. This is included as current finding number 2015-011.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (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.

Auditee Response/Status: Unresolved. This is included as a component of current finding number 2015-005.