MONROE COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

MONROE COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents ..... i and ii

FINANCIAL SECTION

Independent Auditor's Report ..... 1 – 3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements:

Balance Sheet – Governmental Funds 6

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 7

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 8

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual ..... 9 and 10

E-911 Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual 11

Statement of Net Position – Proprietary Funds 12

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds 13

Statement of Cash Flows – Proprietary Funds ..... 14 and 15

Statement of Fiduciary Net Position – Fiduciary Funds 16

Statement of Changes in Fiduciary Net Position – Fiduciary Funds 17

Notes to Financial Statements ..... 18 – 56

Required Supplementary Information:

Schedule of Changes in the County's Net Pension Liability and Related Ratios 57

Schedule of County Pension Contributions 58

Schedule of Changes in the County's Total OPEB Liability and Related Ratios 59

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds ..... 60 and 61

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 62 and 63

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)
- Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2014 Issue 64
- Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2020 Issue 65
- Combining Statement of Net Position – Nonmajor Enterprise Funds 66
- Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds 67
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds ..... 68 and 69
- Combining Balance Sheet – Agency Funds 70

COMPLIANCE SECTION
- 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* ..... 71 and 72
- Schedule of Findings and Responses ..... 73 – 78
- Schedule of Prior Year Findings ..... 79 – 81

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2019, and the related notes to the financial statements, which collectively comprise the County'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 ("GAAP"); 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 (the "Health Department"), which represents 8.2% of the assets, (2.2%) of the net position, and 63.0% 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 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 the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the E-911 Fund for the year then ended in accordance with GAAP.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 57), Schedule of County Pension Contributions (page 58), and Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on pages 59) 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 ("GASB") 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 ("MD&A") that GAAP 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 GASB 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 the County'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 the County. 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 ("O.C.G.A.") § 48-8-121, and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, on our consideration of the County'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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
August 31, 2020

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	$ 15,978,496	$ 705,269	$ 16,683,765	$ 2,540,961	$ 319,622
Investments	64,688	158,093	222,781	-	104,955
Taxes receivable	6,823,772	-	6,823,772	-	-
Interest receivable	8	-	8	-	-
Accounts receivable, net of allowances	904,543	227,444	1,131,987	200,000	38,345
Due from other governments	759,171	-	759,171	-	-
Internal balances	1,340,474	(1,340,474)	-	-	-
Inventories	327,376	466,530	793,906	-	-
Prepaid items	-	145,374	145,374	4,357	-
Restricted assets: cash	17,452,887	95,665	17,548,552	-	-
Capital assets, non-depreciable	3,904,904	669,703	4,574,607	1,923,949	-
Capital assets, depreciable, net of accumulated depreciation	65,938,539	35,587,738	101,526,277	585,101	8,345
Total assets	113,494,858	36,715,342	150,210,200	5,254,368	471,267
DEFERRED OUTFLOW OF RESOURCES					
Pensions	3,607,499	200,691	3,808,190	-	136,371
Other post-employment benefits	114,535	-	114,535	-	108,934
Total deferred outflows of resources	3,722,034	200,691	3,922,725	-	245,305
LIABILITIES					
Accounts payable	844,738	307,113	1,151,851	8,009	8,398
Accrued liabilities	581,746	35,787	617,533	-	8,730
Unearned revenues	90,620	-	90,620	-	-
Accrued interest	76,194	-	76,194	-	-
Customer deposits payable	-	95,665	95,665	-	-
Capital leases due within one year	221,767	-	221,767	-	-
Capital leases due in more than one year	581,637	-	581,637	-	-
Compensated absences due within one year	420,932	28,554	449,486	-	-
Compensated absences due in more than one year	2,306,313	213,223	2,519,536	-	26,789
Net pension liability	8,259,866	459,512	8,719,378	-	419,408
Notes payable due in within one year	-	52,876	52,876	-	-
Notes payable due in more than one year	-	1,015,751	1,015,751	-	-
Bonds payable due within one year	3,430,000	-	3,430,000	-	-
Bonds payable due in more than one year	22,519,923	-	22,519,923	-	-
Landfill closure and post-closure care costs due in more than one year	-	1,421,319	1,421,319	-	-
Total other post-employment benefits liability	2,699,589	-	2,699,589	-	236,331
Total liabilities	42,033,325	3,629,800	45,663,125	8,009	699,656
DEFERRED INFLOW OF RESOURCES					
Pensions	491,066	27,319	518,385	-	14,399
Other post-employment benefits	194,484	-	194,484	-	117,482
Total deferred inflows of resources	685,550	27,319	712,869	-	131,881
NET POSITION (DEFICIT)					
Net investment in capital assets	60,539,632	35,188,814	95,728,446	2,509,050	8,345
Restricted for:					
Judicial	180,709	-	180,709	-	-
Public safety	323,035	-	323,035	-	-
Capital projects	18,992,566	-	18,992,566	-	-
Unrestricted	(5,537,925)	(1,929,900)	(7,467,825)	2,737,309	(123,310)
Total net position (deficit)	$ 74,498,017	$ 33,258,914	$ 107,756,931	$ 5,246,359	$ (114,965)

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Business-type Activities	Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 12,190,232	$ 1,922,832	$ 258,785	$ -	$ (10,008,615)	$ -	$ (10,008,615)	$ -	$ -
Judicial	1,976,358	2,040,917	-	-	64,559	-	64,559	-	-
Public safety	13,826,851	2,517,536	300,296	34	(11,008,985)	-	(11,008,985)	-	-
Public works	4,854,583	26,314	929,213	-	(3,899,056)	-	(3,899,056)	-	-
Health and welfare	1,724,003	-	25,789	-	(1,698,214)	-	(1,698,214)	-	-
Culture and recreation	833,082	89,459	68	-	(743,555)	-	(743,555)	-	-
Housing and development	680,647	-	-	-	(680,647)	-	(680,647)	-	-
Interest on long-term debt	609,926	-	-	-	(609,926)	-	(609,926)	-	-
Total governmental activities	36,695,682	6,597,058	1,514,151	34	(28,584,439)	-	(28,584,439)	-	-
Business-type activities:									
Water	2,995,522	1,872,343	-	-	-	(1,123,179)	(1,123,179)	-	-
Landfill	2,247,809	516,492	-	-	-	(1,731,317)	(1,731,317)	-	-
Building inspections	216,678	155,114	-	-	-	(61,564)	(61,564)	-	-
Total business-type activities	5,460,009	2,543,949	-	-	-	(2,916,060)	(2,916,060)	-	-
Total primary government	$ 42,155,691	$ 9,141,007	$ 1,514,151	$ 34	(28,584,439)	(2,916,060)	(31,500,499)	-	-
Component units:									
Development Authority	$ 256,240	$ 378,301	$ -	$ -	-	-	-	122,061	-
Health Department	661,398	325,318	397,107	-	-	-	-	-	61,027
Total component units	$ 917,638	$ 703,619	$ 397,107	$ -	-	-	-	122,061	61,027
General revenues:									
Property taxes					19,791,379	-	19,791,379	-	-
Sales taxes					8,866,249	-	8,866,249	-	-
Insurance premium tax					1,531,393	-	1,531,393	-	-
Intangible tax					213,002	-	213,002	-	-
Alcoholic beverages tax					116,319	-	116,319	-	-
Other taxes					360,707	-	360,707	-	-
Unrestricted investment earnings					89,331	7,146	96,477	48,744	4,690
Gain on sale of capital assets					8,097	-	8,097	-	-
Transfers					(949,303)	949,303	-	-	-
Total general revenues and transfers					30,027,174	956,449	30,983,623	48,744	4,690
Change in net position					1,442,735	(1,959,611)	(516,876)	170,805	65,717
Net position (deficit), beginning of year					73,055,282	35,218,525	108,273,807	5,075,554	(180,682)
Net position (deficit), end of year					$ 74,498,017	$ 33,258,914	$ 107,756,931	$ 5,246,359	$ (114,965)

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

MONROE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Public Facilities Authority	E-911	2014 SPLOST	2020 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 13,432,797	$ -	$ 54,561	$ 1,961,057	$ -	$ 530,081	$ 15,978,496
Investments	200	-	-	-	-	64,488	64,688
Taxes receivable (net)	6,823,772	-	-	-	-	-	6,823,772
Accounts receivable (net)	756,621	-	143,422	-	-	4,500	904,543
Interest receivable	-	-	-	-	-	8	8
Due from other governments	328,517	-	-	302,523	-	128,131	759,171
Due from other funds	2,221,624	-	-	-	-	-	2,221,624
Inventories	327,376	-	-	-	-	-	327,376
Restricted cash	-	17,452,887	-	-	-	-	17,452,887
Total assets	$ 23,890,907	$ 17,452,887	$ 197,983	$ 2,263,580	$ -	$ 727,208	$ 44,532,565
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 557,230	$ -	$ 62,832	$ 174,586	$ 34,917	$ 15,173	$ 844,738
Accrued liabilities	551,592	-	26,036	-	-	4,118	581,746
Unearned revenues	7,522	-	-	-	-	83,098	90,620
Due to other funds	-	422,983	-	148,000	282,093	28,074	881,150
Total liabilities	1,116,344	422,983	88,868	322,586	317,010	130,463	2,398,254
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	691,666	-	-	-	-	-	691,666
Unavailable revenue - emergency services	414,493	-	-	-	-	-	414,493
Unavailable revenue - intergovernmental	-	-	143,422	-	-	-	143,422
Total deferred inflows of resources	1,106,159	-	143,422	-	-	-	1,249,581
FUND BALANCES (DEFICIT)							
Fund balances:							
Nonspendable:							
Inventories	327,376	-	-	-	-	-	327,376
Restricted for:							
Judicial	-	-	-	-	-	180,709	180,709
Public safety	-	-	-	-	-	323,035	323,035
Capital projects	25,039	17,026,533	-	1,940,994	-	-	18,992,566
Debt service	-	3,371	-	-	-	-	3,371
Assigned for:							
General government	3,138,052	-	-	-	-	-	3,138,052
Culture and recreation	-	-	-	-	-	93,115	93,115
Unassigned	18,177,937	-	(34,307)	-	(317,010)	(114)	17,826,506
Total fund balances (deficit)	21,668,404	17,029,904	(34,307)	1,940,994	(317,010)	596,745	40,884,730
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 23,890,907	$ 17,452,887	$ 197,983	$ 2,263,580	$ -	$ 727,208	

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.	69,843,443
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,249,581
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(29,556,766)
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.	(5,143,433)
The total OPEB liability and related deferred outflows of resources are not financial resources and, therefore, are not reported in the governmental funds.	(2,779,538)
Net position of governmental activities	$ 74,498,017

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 YEAR ENDED DECEMBER 31, 2019

	General	Public Facilities Authority	E-911	2014 SPLOST	2020 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	$ 19,997,484	$ -	$ -	$ -	$ -	$ -	$ 19,997,484
Sales taxes	3,804,372	-	-	5,061,877	-	-	8,866,249
Other taxes	2,221,421	-	-	-	-	-	2,221,421
Licenses and permits	66,210	-	-	-	-	-	66,210
Intergovernmental	1,213,468	-	-	-	-	142,903	1,356,371
Charges for services	3,481,528	-	470,305	-	-	7,287	3,959,120
Fines and forfeitures	1,195,950	-	-	-	-	405,457	1,601,407
Interest income	2,473	85,218	34	24	-	1,616	89,365
Contributions	-	-	-	-	-	68	68
Miscellaneous	213,661	443,300	-	-	-	14,301	671,262
Total revenues	32,196,567	528,518	470,339	5,061,901	-	571,632	38,828,957
Expenditures							
Current:							
General government	7,723,737	-	-	-	-	-	7,723,737
Judicial	1,618,152	-	-	-	-	208,083	1,826,235
Public safety	11,069,470	-	1,692,614	-	1,262,704	111,576	14,136,364
Public works	2,849,110	-	-	-	331,344	114	3,180,568
Health and welfare	1,129,058	580,621	-	-	-	-	1,709,679
Culture and recreation	682,917	-	-	-	-	11,073	693,990
Housing and development	781,173	-	-	-	-	-	781,173
Intergovernmental	-	-	-	974,131	-	-	974,131
Capital outlay	-	-	-	2,592,141	-	-	2,592,141
Debt service:							
Principal	104,697	4,660,000	75,405	-	-	-	4,840,102
Interest and fiscal charges	17,554	484,504	7,449	-	-	-	509,507
Issuance costs	-	180,192	-	-		-	180,192
Total expenditures	25,975,868	5,905,317	1,775,468	3,566,272	1,594,048	330,846	39,147,819
Excess (deficiency) of revenues over (under) expenditures	6,220,699	(5,376,799)	(1,305,129)	1,495,629	(1,594,048)	240,786	(318,862)
Other financing sources (uses)							
Proceeds from sale of capital assets	8,097	-	-	-	-	-	8,097
Capital leases	750,000	-	-	-	-	-	750,000
Issuance of bonds	-	16,780,000	-	-	-	-	16,780,000
Premium on bonds	-	1,463,237	-	-	-	-	1,463,237
Transfers in	586,258	3,698,044	1,006,998	3,999,296	1,891,316	-	11,181,912
Transfers out	(3,009,485)	(5,759,649)	-	(2,739,485)	(614,278)	(8,318)	(12,131,215)
Total other financing sources (uses)	(1,665,130)	16,181,632	1,006,998	1,259,811	1,277,038	(8,318)	18,052,031
Net change in fund balances	4,555,569	10,804,833	(298,131)	2,755,440	(317,010)	232,468	17,733,169
Fund balance (deficits), beginning of year	17,112,835	6,225,071	263,824	(814,446)	-	364,277	23,151,561
Fund balance (deficit), end of year	$ 21,668,404	$ 17,029,904	$ (34,307)	$ 1,940,994	$ (317,010)	$ 596,745	$ 40,884,730

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 YEAR ENDED DECEMBER 31, 2019

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

Net change in fund balances - total governmental funds	$	17,733,169
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,242,170
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(58,685)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		250,666
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.		(14,036,400)
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.		(3,688,185)
Change in net position - governmental activities	$	1,442,735

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 (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 19,801,642	$ 19,801,642	$ 19,997,484	$ 195,842
Sales taxes	3,506,000	3,506,000	3,804,372	298,372
Other taxes	2,023,960	2,023,960	2,221,421	197,461
Licenses and permits	61,400	61,400	66,210	4,810
Intergovernmental	1,475,902	1,475,902	1,213,468	(262,434)
Charges for services	2,134,725	2,134,725	3,481,528	1,346,803
Fines and forfeitures	1,084,170	1,084,170	1,195,950	111,780
Investment income	37	37	2,473	2,436
Miscellaneous	266,967	266,967	213,661	(53,306)
Total revenues	30,354,803	30,354,803	32,196,567	1,841,764
Expenditures				
Current				
General government:				
County commissioners	747,183	747,183	625,633	121,550
Board of registrars	1,713	1,713	1,712	1
Elections	133,230	133,230	119,129	14,101
Financial administration	567,028	567,028	568,272	(1,244)
Purchasing	91,704	91,704	91,664	40
Fuel depot	101,241	101,241	99,932	1,309
Tax commissioner	325,254	325,254	308,316	16,938
Tax assessor	436,887	436,887	413,892	22,995
Board of equalization	9,699	9,699	2,881	6,818
Public buildings	984,251	984,251	1,350,157	(365,906)
Justice center	15,446	15,446	15,439	7
General insurance	5,130,326	5,130,326	4,126,710	1,003,616
Total general government	8,543,962	8,543,962	7,723,737	820,225
Judicial:				
Superior court	766,722	766,722	766,719	3
Clerk of superior court	417,911	417,911	417,909	2
Magistrate court	203,561	203,561	203,558	3
Probate court	228,140	228,140	228,131	9
Juvenile court	1,883	1,883	1,835	48
Total judicial	1,618,217	1,618,217	1,618,152	65
Public safety:				
Sheriff	4,911,446	4,911,446	4,898,535	12,911
Jail	2,348,822	2,348,822	2,348,796	26
School resource officer	188,870	188,870	180,972	7,898
Court security	204,761	204,761	204,679	82
Emergency services	2,608,823	2,608,823	2,608,794	29
Coroner	39,600	39,600	39,596	4
Animal control	164,733	164,733	164,690	43
Emergency management	37,803	37,803	37,800	3
Capital projects	585,608	585,608	585,608	-
Total public safety	11,090,466	11,090,466	11,069,470	20,996
Public works:				
Public roads	2,397,287	2,397,287	1,813,504	583,783
Maintenance and shop	899,982	899,982	899,942	40
Capital projects	135,664	135,664	135,664	-
Total public works	3,432,933	3,432,933	2,849,110	583,823

(Continued)

MONROE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Health and welfare:				
Healthcare	$ 1,076,581	$ 1,076,581	$ 1,076,575	$ 6
Welfare	25,792	25,792	25,792	-
Community services	26,700	26,700	26,691	9
Total health and welfare	1,129,073	1,129,073	1,129,058	15
Culture and recreation:				
Recreation	438,206	438,206	438,415	(209)
Library	218,396	218,396	215,737	2,659
Capital projects	28,765	28,765	28,765	-
Total culture and recreation	685,367	685,367	682,917	2,450
Housing and development:				
Soil conservation	33,920	33,920	33,899	21
Extension service	374,448	374,448	273,783	100,665
Georgia forestry commission	18,218	18,218	18,218	-
Protective Inspection	144,182	144,182	93,129	51,053
Planning and zoning	120,470	120,470	120,448	22
Economic development	216,025	216,025	214,650	1,375
Family connection	50,189	50,189	27,046	23,143
Total housing and development	957,452	957,452	781,173	176,279
Debt service:				
Principal	180,000	180,000	104,697	75,303
Interest and fiscal charges	-	-	17,554	(17,554)
Total debt service	180,000	180,000	122,251	57,749
Total expenditures	27,637,470	27,637,470	25,975,868	1,661,602
Excess of revenues over expenditures	2,717,333	2,717,333	6,220,699	3,503,366
Other financing sources (uses)				
Transfers in	302,000	302,000	586,258	284,258
Transfers out	(3,946,178)	(3,946,178)	(3,009,485)	936,693
Capital leases	750,000	750,000	750,000	-
Proceeds from sale of assets	25,000	25,000	8,097	(16,903)
Total other financing uses, net	(2,869,178)	(2,869,178)	(1,665,130)	1,204,048
Net change in fund balance	(151,845)	(151,845)	4,555,569	4,707,414
Fund balance, beginning of year	17,112,835	17,112,835	17,112,835	-
Fund balance, end of year	$ 16,960,990	$ 16,960,990	$ 21,668,404	$ 4,707,414

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

MONROE COUNTY, GEORGIA

E-911 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 475,000	$ 475,000	$ 470,305	$ (4,695)
Interest	10	10	34	24
Total revenues	475,010	475,010	470,339	(4,671)
EXPENDITURES				
Current:				
Public safety	1,962,786	1,962,786	1,692,614	270,172
Debt service:				
Principal	-	-	75,405	(75,405)
Interest	-	-	7,449	(7,449)
Total expenditures	1,962,786	1,962,786	1,775,468	187,318
Deficiency of revenues under expenditures	(1,487,776)	(1,487,776)	(1,305,129)	182,647
OTHER FINANCING SOURCES				
Transfers in	1,487,776	1,487,776	1,006,998	(480,778)
Total other financing sources	1,487,776	1,487,776	1,006,998	(480,778)
Net change in fund balances	-	-	(298,131)	(298,131)
FUND BALANCES, beginning of year	263,824	263,824	263,824	-
FUND BALANCES, end of year	$ 263,824	$ 263,824	$ (34,307)	$ (298,131)

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 538,192	$ 163,359	$ 3,718	$ 705,269
Investments	158,093	-	-	158,093
Accounts receivable, net of allowances	189,529	37,645	270	227,444
Inventory	466,530	-	-	466,530
Prepaid items	145,374	-	-	145,374
Due from other funds	30,655	-	-	30,655
Restricted assets:				
Cash and cash equivalents	95,665	-	-	95,665
Total current assets	1,624,038	201,004	3,988	1,829,030
NONCURRENT ASSETS				
Capital assets:				
Non-depreciable	450,900	195,766	23,037	669,703
Depreciable, net of accumulated depreciation	33,848,271	860,925	878,542	35,587,738
Total capital assets	34,299,171	1,056,691	901,579	36,257,441
Total noncurrent assets	34,299,171	1,056,691	901,579	36,257,441
Total assets	35,923,209	1,257,695	905,567	38,086,471
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	45,698	154,993	-	200,691
Total deferred outflows of resources	45,698	154,993	-	200,691
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	118,150	186,974	1,989	307,113
Accrued liabilities	1,763	31,203	2,821	35,787
Notes payable due within one year	52,876	-	-	52,876
Compensated absences payable, current	14,182	11,361	3,011	28,554
Due to other funds	994,332	376,797	-	1,371,129
Customer deposits payable	95,665	-	-	95,665
Total current liabilities	1,276,968	606,335	7,821	1,891,124
LONG-TERM LIABILITIES				
Compensated absences	-	200,266	12,957	213,223
Accrued closure/post-closure costs	-	1,421,319	-	1,421,319
Net pension liability	104,633	354,879	-	459,512
Notes payable, net of current portion	1,015,751	-	-	1,015,751
Total long-term liabilities	1,120,384	1,976,464	12,957	3,109,805
Total liabilities	2,397,352	2,582,799	20,778	5,000,929
DEFERRED INFLOWS OF RESOURCES				
Pensions	6,221	21,098	-	27,319
Total deferred inflows of resources	6,221	21,098	-	27,319
NET POSITION				
Net investment in capital assets	33,230,544	1,056,691	901,579	35,188,814
Unrestricted	334,790	(2,247,900)	(16,790)	(1,929,900)
Total net position	$ 33,565,334	$ (1,191,209)	$ 884,789	$ 33,258,914

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 YEAR ENDED DECEMBER 31, 2019

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
Operating revenues				
Charges for services:				
Water charges	$ 1,687,908	$ -	$ -	$ 1,687,908
Collection and disposal fees	-	515,742	-	515,742
Rent	-	-	154,911	154,911
Service charges	178,935	-	-	178,935
Miscellaneous	5,500	750	203	6,453
Total operating revenues	1,872,343	516,492	155,114	2,543,949
Operating expenses				
Personal services	31,290	1,099,407	143,040	1,273,737
Purchased/contracted services	737,073	739,537	29,128	1,505,738
Supplies and materials	73,356	131,474	4,053	208,883
Utilities and purchased water	1,348,023	-	19,870	1,367,893
Depreciation	783,537	277,391	20,587	1,081,515
Total operating expenses	2,973,279	2,247,809	216,678	5,437,766
Operating loss	(1,100,936)	(1,731,317)	(61,564)	(2,893,817)
Nonoperating revenues (expenses)				
Investment income	6,098	1,048	-	7,146
Interest expense	(22,243)	-	-	(22,243)
Total nonoperating revenues (expenses)	(16,145)	1,048	-	(15,097)
Loss before transfers	(1,117,081)	(1,730,269)	(61,564)	(2,908,914)
Transfers				
Transfers in	659,540	184,060	144,728	988,328
Transfers out	-	-	(39,025)	(39,025)
Total transfers	659,540	184,060	105,703	949,303
Change in net position	(457,541)	(1,546,209)	44,139	(1,959,611)
Net position, beginning of year	34,022,875	355,000	840,650	35,218,525
Net position, end of year	$ 33,565,334	$ (1,191,209)	$ 884,789	$ 33,258,914

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

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,833,789	$ 520,227	$ 154,844	$ 2,508,860
Payments to suppliers and service providers	(2,765,320)	(655,069)	(56,284)	(3,476,673)
Payments to employees	(3,078)	(914,859)	(192,278)	(1,110,215)
Receipts/payments from interfund services provided	963,677	376,797	(146,829)	1,193,645
Net cash provided by (used in) operating activities	29,068	(672,904)	(240,547)	(884,383)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	-	(39,025)	(39,025)
Transfers in	659,540	184,060	144,728	988,328
Net cash provided by noncapital financing activities	659,540	184,060	105,703	949,303
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(227,538)	(104,896)	(7,392)	(339,826)
Principal payments on notes payable	(51,815)	-	-	(51,815)
Interest paid	(22,243)	-	-	(22,243)
Net cash used in capital and related financing activities	(301,596)	(104,896)	(7,392)	(413,884)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(6,098)	-	-	(6,098)
Interest on investments	6,098	1,048	-	7,146
Net cash provided by investing activities	-	1,048	-	1,048
Change in cash and cash equivalents	387,012	(592,692)	(142,236)	(347,916)
Cash and cash equivalents:				
Beginning of year	246,845	756,051	145,954	1,148,850
End of year	$ 633,857	$ 163,359	$ 3,718	$ 800,934
Classified as:				
Cash and cash equivalents	$ 538,192	$ 163,359	$ 3,718	$ 705,269
Restricted assets, cash and cash equivalents	95,665	-	-	95,665
	$ 633,857	$ 163,359	$ 3,718	$ 800,934

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water Fund	Landfill	Nonmajor Enterprise Funds	Totals
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (1,100,936)	$ (1,731,317)	$ (61,564)	$ (2,893,817)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	783,537	277,391	20,587	1,081,515
(Increase) decrease in:				
Accounts receivable	(13,780)	3,735	(270)	(10,315)
Inventory	(411,059)	-	-	(411,059)
Prepaid items	(145,374)	-	-	(145,374)
Due from other funds	(30,655)	-	10,492	(20,163)
Due from other governments	-	-	16,275	16,275
Deferred outflows of resources - pension	(29,286)	(99,329)	-	(128,615)
Increase (decrease) in:				
Accounts payable	(50,435)	136,772	(3,233)	83,104
Accrued liabilities	176	(1,573)	(5,359)	(6,756)
Compensated absences	9,988	124,910	2,836	137,734
Due to other funds	994,332	376,797	(157,321)	1,213,808
Accrued closure/post-closure costs	-	79,170	-	79,170
Customer deposits payable	(24,774)	-	-	(24,774)
Net pension liability	55,300	187,558	(48,922)	193,936
Deferred inflows of resources - pension	(7,966)	(27,018)	(14,068)	(49,052)
Net cash provided by (used in) operating activities	$ 29,068	$ (672,904)	$ (240,547)	$ (884,383)

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

MONROE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Private Purpose Trust Fund	
	Veterans' Memorial	Agency Funds
ASSETS		
Cash	$ 3,034	$ 5,373,019
Taxes receivable	-	8,569,007
Total assets	$ 3,034	$ 13,942,026
LIABILITIES		
Due to others	$ -	$ 5,373,019
Uncollected taxes	-	8,569,007
Total liabilities	-	$ 13,942,026
NET POSITION		
Restricted for veterans' memorial	$ 3,033	

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

MONROE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Private Purpose Trust Fund
	Veterans' Memorial
ADDITIONS	
Interest income	$ 11
Total additions	11
DEDUCTIONS	
Veterans' memorial	92
Total deductions	92
Change in net position	(81)
Net position, beginning of the year	3,114
Net position, end of the year	$ 3,033

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

The 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 GAAP, the financial statements of the reporting entity include the County (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 GAAP, as set forth in GASB 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 (Discretely Presented Component Unit)

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 (Discretely Presented Component Unit)

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 the 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 the 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

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

The ***E-911 Fund*** is a special revenue fund used 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 served by the Monroe County E-911 system and by a transfer from the General Fund.

The ***2014 SPLOST Fund*** is a capital projects fund that accounts for SPLOST 2014 revenues received on behalf of the County, the City of Forsyth and the City of Culloden. Financing is provided by a special County 1% sales and use tax.

The ***2020 SPLOST Fund*** is a capital projects fund that accounts for SPLOST 2020 revenues received on behalf of the County, the City of Forsyth and the City of Culloden. Financing is provided by a special County 1% 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 ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 *non-operating* 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 non-operating 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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." Short-term interfund loans are classified as "interfund receivables/payables." Long-term interfund loans are classified as "advances." 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. Prepaid expenditures are accounted for using the consumption method.

H. Restricted Assets

Certain proceeds of the Public Facilities Authority and 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had six items that qualified for reporting in this category. The first three, which relate to the County's defined benefit pension plan, are the difference between expected and actual experience, changes in actuarial assumptions, and the difference between projected investment return on pension investments. These differences represent consumptions of resources which are amortized against pension expense. Changes in actuarial assumptions for the County's OPEB plan, as well as the net difference between expected and actual experience are also deferred outflows, which are amortized against OPEB expense over the remaining service lives of plan members. Contributions made subsequent to the measurement date are deferred and recognized as OPEB expense in future years.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports 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 four items that qualified for reporting in this category. *Unavailable revenue*, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item unavailable revenue, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from property taxes, emergency services, and intergovernmental revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the County's defined benefit pension plan and are reported in the government-wide Statement of Net Position. The County's net difference between expected and actual experience represent consumptions of resources and are amortized against pension expense, resulting in recognition as a deferred inflow of resources.

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 acquisition 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)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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 GAAP 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.

P. Tax Abatement Agreements

As of December 31, 2019, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

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

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

The Governmental Fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Capital leases payable	$ (803,404)
Compensated absences	(2,727,245)
Bonds payable	(25,949,923)
Accrued interest payable	(76,194)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (29,556,766)

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	$ 4,468,774
Depreciation expense	(3,226,604)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 1,242,170

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

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

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

Issuance of debt:	
Bonds payable	$ (16,780,000)
Premium on bonds payable	(1,463,237)
Capital lease	(750,000)
Bond principal repayments	$ 4,660,000
Capital lease repayments	180,102
Amortization of premium	116,735
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (14,036,400)

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	$ (1,969,936)
Accrued interest	(36,962)
Net pension liability and related deferred outflow/inflow of resources	(1,471,407)
Net OPEB obligation and related deferred outflows/inflows of resources	(209,880)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (3,688,185)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The annual budget document is the financial plan for the operation of the 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 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.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, the E-911 Fund's expenditures exceeded appropriations for debt service payments of $82,854. The General Fund's expenditures exceeded appropriations for financial administration of $1,244, public buildings of $365,906, recreation of $209, and interest and fiscal charges of $17,554.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Deficit Fund Equity

For the year ended December 31, 2019, the following funds had a deficit fund balance or deficit net position:

		Fund Deficit
Special Revenue Funds:		
E-911 Fund	$	34,307
CDBG Water Grant		114
Capital Projects Funds:		
2020 SPLOST Fund	$	317,010
		Deficit Net Position
Enterprise Funds:		
Landfill	$	1,191,209

The deficits will be eliminated through future revenues and/or transfers from other funds.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2019, are summarized as follows:

Balances per Statement of Net Position:		
Cash and cash equivalents - Primary Government	$	16,683,765
Cash and cash equivalents - Development Authority		2,540,961
Cash and cash equivalents - Health Department		319,622
Investments - Primary Government		222,781
Investments - Health Department		104,955
Restricted assets:		
Primary Government - cash and cash equivalents		17,548,552
Balances per Statement of Fiduciary Net Position:		
Cash - Agency funds		5,373,019
Cash - Private purpose trust funds		3,034
	$	42,796,689
Balances by type:		
Cash deposited with financial institutions	$	42,573,908
Certificates of deposit		64,488
Georgia Fund 1		158,293
	$	42,796,689

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2019, the County's investments in the Georgia Fund 1 were rated AAAf by Standard & Poor's.

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.

At December 31, 2019, the County's investments, categorized by credit risk and interest rate risk, were as follows:

Investment Type	Maturities	Fair Value
Certificates of deposit	3 months weighted-average	$ 64,488
Georgia Fund 1	39-day weighted-average	158,293
		$ 222,781

Investments of the component units include an investment in Georgia Fund 1 in the amount of $104,955 that is not included in the above schedule.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements as of December 31, 2019:

Investment Type	Fair Value
Investments not subject to level disclosure:	
Certificates of deposit	$ 64,488
Georgia Fund 1	158,293
Total investments	$ 222,781

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

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, 2019, 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 ("O.C.G.A.") § 45-8-12(c).

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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. The County does not have a formal custodial credit risk policy other than to only invest in obligations authorized by the State of Georgia.

NOTE 5. RECEIVABLES

Receivables at December 31, 2019, consist of the following:

	General Fund	E-911 Fund	2014 SPLOST Fund	Water Fund	Landfill Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Receivables:								
Taxes	$ 7,185,299	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,185,299
Accounts	1,691,678	179,277	-	369,516	39,941	4,500	270	2,285,182
Interest	-	-	-	-	-	8	-	8
Due from other governments	328,517	-	427,052	-	-	128,131	-	883,700
Gross receivables	9,205,494	179,277	427,052	369,516	39,941	132,639	270	10,354,189
Less allowance	(1,296,584)	(35,855)	(124,529)	(179,987)	(2,296)	-	-	(1,639,251)
Net receivables	$ 7,908,910	$ 143,422	$ 302,523	$ 189,529	$ 37,645	$ 132,639	$ 270	$ 8,714,938

Property taxes were levied on September 23, 2019. Bills are payable on or before December 20, 2019, 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 2019 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2019, and collected by February 29, 2020, are recognized as revenues in the year ended December 31, 2019. Net receivables estimated to be collected subsequent to February 28, 2020, are deferred as of December 31, 2019, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Property taxes attached as an enforceable lien on property as of December 21, 2019.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,182,043	$ -	$ -	$ -	$ 1,182,043
Construction in progress	1,321,565	1,401,296	-	-	2,722,861
Total	2,503,608	1,401,296	-	-	3,904,904
Capital assets, being depreciated:					
Buildings	16,378,524	-	-	-	16,378,524
Building improvements	1,548,087	-	-	-	1,548,087
Land improvements	2,448,606	-	(59,933)	-	2,388,673
Infrastructure	100,874,644	39,928	-	-	100,914,572
Intangibles	92,012	-	-	-	92,012
Machinery and equipment	17,936,277	3,027,550	(134,076)	38,876	20,868,627
Total	139,278,150	3,067,478	(194,009)	38,876	142,190,495
Less accumulated depreciation for:					
Buildings	4,999,973	325,910	-	-	5,325,883
Building improvements	300,653	40,603	-	-	341,256
Land improvements	1,945,403	32,617	(1,248)	-	1,976,772
Infrastructure	53,557,137	2,011,818	-	-	55,568,955
Intangibles	71,527	9,201	-	-	80,728
Machinery and equipment	12,247,107	806,455	(134,076)	38,876	12,958,362
Total	73,121,800	3,226,604	(135,324)	38,876	76,251,956
Total capital assets, being depreciated, net	66,156,350	(159,126)	(58,685)	-	65,938,539
Governmental activities capital assets, net	$ 68,659,958	$ 1,242,170	$ (58,685)	$ -	$ 69,843,443

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	$ 362,734	$ -	$ -	$ -	$ 362,734
Construction in progress	270,010	163,202	-	(126,243)	306,969
Total	632,744	163,202	-	(126,243)	669,703
Capital assets, being depreciated:					
Land (landfill)	4,496,440	-	-	-	4,496,440
Buildings	1,802,182	-	-	-	1,802,182
Improvements	1,121,479	-	-	-	1,121,479
Infrastructure	42,592,145	-	-	126,243	42,718,388
Machinery and equipment	3,307,779	176,625	(17,927)	(38,876)	3,427,601
Total	53,320,025	176,625	(17,927)	87,367	53,566,090
Less accumulated depreciation for:					
Land (landfill)	4,091,719	102,320	-	-	4,194,039
Buildings	262,930	39,499	-	-	302,429
Improvements	959,849	53,818	-	-	1,013,667
Infrastructure	9,178,495	749,937	-	-	9,928,432
Machinery and equipment	2,460,647	135,941	(17,927)	(38,876)	2,539,785
Total	16,953,640	1,081,515	(17,927)	(38,876)	17,978,352
Total capital assets, being depreciated, net	36,366,385	(904,890)	-	126,243	35,587,738
Business-type activities capital assets, net	$ 36,999,129	$ (741,688)	$ -	$ -	$ 36,257,441

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	$ 180,529
Judicial	2,663
Public safety	711,986
Public works	2,228,399
Health and welfare	14,324
Culture and recreation	88,703
Total depreciation expense - governmental activities	$ 3,226,604
Business-type activities:	
Water Fund	$ 783,537
Landfill	277,391
Conference Center	20,587
Total depreciation expense - business-type activities	$ 1,081,515

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 1,923,949	$ -	$ -	$ -	$ 1,923,949
Total	1,923,949	-	-	-	1,923,949
Capital assets, being depreciated:					
Improvements	774,742	-	-	-	774,742
Total	774,742	-	-	-	774,742
Less accumulated depreciation for:					
Improvements	150,904	38,737	-	-	189,641
Total	150,904	38,737	-	-	189,641
Total capital assets, being depreciated, net	623,838	(38,737)	-	-	585,101
Development Authority capital assets, net	$ 2,547,787	$ (38,737)	$ -	$ -	$ 2,509,050

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 12,195,000	$ 16,780,000	$ (4,660,000)	$ 24,315,000	$ 3,430,000
Plus unamortized premium	288,421	1,463,237	(116,735)	1,634,923	-
General obligation bonds, net	12,483,421	18,243,237	(4,776,735)	25,949,923	3,430,000
Capital leases	233,506	750,000	(180,102)	803,404	221,767
Compensated absences	757,309	2,387,145	(417,209)	2,727,245	420,932
Net pension liability	3,845,497	5,461,920	(1,047,551)	8,259,866	-
Total OPEB liability	2,711,591	247,222	(259,224)	2,699,589	-
Governmental activities Long-term liabilities	$ 20,031,324	$ 27,089,524	$ (6,680,821)	$ 40,440,027	$ 4,072,699
Business-type activities:					
Notes payable	$ 1,120,441	$ -	$ (51,814)	$ 1,068,627	$ 52,876
Landfill closure and post-closure costs	1,342,149	79,170	-	1,421,319	-
Compensated absences	104,043	196,294	(58,560)	241,777	28,554
Net pension liability	265,576	252,213	(58,277)	459,512	-
Business-type activities Long-term liabilities	$ 2,832,209	$ 527,677	$ (168,651)	$ 3,191,235	$ 81,430

For governmental activities, the net pension liability, total OPEB liability and compensated absences are generally liquidated by the General Fund.

For business-type activities, compensated absences are generally liquidated by the Water, Landfill, Building Inspection, and Conference Center Funds.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. During the year ended December 31, 2010, the 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, 2019, was $240,000.

During the year ended December 31, 2012, the 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, 2019, was $7,295,000.

During the year ended December 31, 2019, the Public Facilities Authority issued Revenue Bonds, Series 2019 in the amount of $16,780,000. The bonds bear interest of 3.0 to 4.0% with final maturity in 2025. Proceeds of the bonds will be used for the purpose of financing or refinancing: 1) internet capital outlay projects, 2) road department equipment, 3) Emergency Management Services, 4) water projects, 5) recreation facilities, 6) Sheriff's Office patrol vehicles, 7) future land acquisition and infrastructure, 8) new governmental buildings, and 9) a county conference center, b) pay the cost of all or a portion the following capital outlay projects for the City of Forsyth, Georgia: 1) water and sewer upgrades and 2) public safety, and c) pay the costs of all or a portion of the following capital outlay projects for the City of Culloden, Georgia: 1) land acquisition and improvements, 2) public safety facilities and improvements, 3) parks & recreation improvements, and 4) water & utilities improvements. The outstanding balance of the 2019 revenue bonds as of December 31, 2019, was $16,780,000.

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued)

contract from its portion of the revenues generated by a 1% special purpose local option sales and use tax (the "SPLOST"); however, the County's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

The Series 2019 Bonds are limited obligations of the Authority and are payable from and are secured by a first lien on the Contract and the Contract Payments. 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. 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, 2019:

Year ending December 31,	Principal	Interest	Total
2020	$ 3,430,000	955,741	$ 4,385,741
2021	3,395,000	753,640	4,148,640
2022	3,515,000	625,340	4,140,340
2023	3,650,000	495,440	4,145,440
2024	3,775,000	364,148	4,139,148
2025 – 2028	6,550,000	376,597	6,926,597
	$ 24,315,000	$ 3,570,906	$ 27,885,906

Capital Leases: During the current year, the County entered into a lease agreement as lessee for financing the acquisition of various equipment. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease term) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of inceptions.

The cost of assets under capital leases as of December 31, 2019:

	Governmental Activities
Equipment	$ 1,139,440
Less accumulated depreciation	(102,975)
Carrying value	$ 1,036,465

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Capital Leases (Continued)

Current year depreciation expense of assets under capital lease was $62,408.

The County's total capital lease debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	
2020	$ 245,854
2021	245,854
2022	163,001
2023	163,001
2024	41,042
Total minimum lease payments	858,752
Less amount representing interest	(55,348)
Present value of future minimum lease payments	$ 803,404

Notes Payable: The Water Fund incurred debt of $1,216,860 to the Georgia Environmental Finance Authority for the extension of water mains and all related appurtenances during current and prior years. Beginning in February 2017, payments are due in monthly installments of $6,173, including interest at 2.03% through January 2037. The outstanding balance at December 31, 2019, is $1,068,628.

Debt service requirements to maturity on the Water Fund note payable is as follows:

Year ending December 31,	Principal	Interest	Total
2020	$ 52,876	$ 21,203	$ 74,079
2021	53,959	20,120	74,078
2022	55,064	19,014	74,078
2023	56,193	17,886	74,078
2024	57,344	16,734	74,078
2025 – 2029	304,834	65,558	370,391
2030 – 2034	337,370	33,021	370,391
2035 – 2037	150,988	3,343	154,331
	$ 1,068,627	$ 196,879	$ 1,265,506

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill Closure and Post-closure 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 post-closure 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 post-closure 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 post-closure care liability of $1,421,319 at December 31, 2019, represents the cumulative amount reported to date based on the use of 29% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of $3,411,922 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure 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 post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Development Authority

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

The original issuance amounts of bonds issued by the Development Authority as of December 31, 2019, for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2019, were not available.

For the Benefit of	Issuance Date	Original Principal
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
Encore	August 1, 2017	18,000,000
Royal Seven Corporation	September 27, 2017	200,000
Florida Power & Light Company	November 3, 2017	60,000,000
Oglethorpe Power Corporation	October 12, 2017	23,520,000
Gulf Power Company	October 17, 2019	45,000,000
Florida Power & Light Compnay	June 13, 2019	55,000,000
		$ 813,585,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019, is as follows:

Due to/from other funds:

	Receivable Funds		
Payable Funds	General Fund	Water Fund	Total
Public Facilities Authority Fund	$ 422,983	$ -	$ 422,983
2014 SPLOST Fund	148,000	-	148,000
2020 SPLOST Fund	251,438	30,655	282,093
Water Fund	994,332	-	994,332
Landfill Fund	376,797	-	376,797
Nonmajor Governmental Funds	28,074	-	28,074
Total	$ 2,221,624	$ 30,655	$ 2,252,279

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	2014 SPLOST Fund	Public Facilities Authority	2020 SPLOST Fund	Nonmajor Governmental Fund	Nonmajor Enterprise Fund	Total
General Fund	$ -	$ -	$ 538,915	$ -	$ 8,318	$ 39,025	$ 586,258
Public Facilities Authority	995,483	2,702,561	-	-	-	-	3,698,044
E-911 Fund	1,006,998	-	-	-	-	-	1,006,998
2014 SPLOST Fund	669,878	-	3,329,418	-	-	-	3,999,296
2020 SPLOST Fund	-	-	1,891,316	-	-	-	1,891,316
Water Fund	20,996	24,266	-	614,278	-	-	659,540
Landfill Fund	184,060	-	-	-	-	-	184,060
Nonmajor Enterprise Funds	132,070	12,658	-	-	-	-	144,728
Total	$ 3,009,485	$ 2,739,485	$ 5,759,649	$ 614,278	$ 8,318	$ 39,025	$ 12,170,240

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, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) fund SPLOST approved projects.

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Middle Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended December 31, 2019, the County paid $29,966 in such dues. Membership in an RC is required by the O.C.G.A. § 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. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Middle Georgia Regional Commission, 175 C Emery Highway, Macon, Georgia 31217.

NOTE 10. DEFINED BENEFIT PENSION PLAN

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.

Plan Membership

As of January 1, 2018, pension plan membership consisted of the following:

Retirees, beneficiaries and disables receiving benefits	94
Terminated plan participants entitled to but not receiving benefits	132
Active employees participating in the Plan	155
Total number of Plan participants	381

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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, 2019, the County's contribution rate was 13.45% of annual payroll. County contributions to the Plan were $873,439 for the year ended December 31, 2019.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2018.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% – 5.50%, including inflation
Investment rate of return	7.00%, 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, 2018 valuation were based on the results of an actuarial experience study through December 31, 2015.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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 (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.33%), 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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed income	30%	25 – 35%
Large Cap equity	30%	25 – 35%
International equity	15%	10 – 20%
Other equity	20%	2.5 – 10%
Real estate	5%	2.5 – 10%
	100%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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, 2019 (measurement date of December 31, 2018), were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	$ 28,858,728	$ 24,747,655	$ 4,111,073
Changes for the year:			
Service cost	373,948	-	373,948
Interest	2,048,004	-	2,048,004
Differences between expected and actual experience	(232,389)	-	(232,389)
Assumption changes	2,002,140	-	2,002,140
Contributions - employer	-	873,439	(873,439)
Net investment income	-	(1,097,068)	1,097,068
Benefit payments, including refunds of employee contributions	(1,220,787)	(1,220,787)	-
Administrative expenses	-	(38,858)	38,858
Other changes	-	(154,115)	154,115
Net changes	2,970,916	(1,637,389)	4,608,305
Balances at December 31, 2019	$ 31,829,644	$ 23,110,266	$ 8,719,378

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 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's net pension liability	$ 12,732,896	$ 8,719,378	$ 5,374,194

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 the December 31, 2018 measurement date, 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, 2019, the County recognized pension expense of $2,377,390. At December 31, 2019, the County reported deferred outflows 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	$ 1,697,307	$ -
Differences between expected and actual experience	333,062	518,385
Changes in actuarial assumptions	1,777,821	-
Total	$ 3,808,190	$ 518,385

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (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 and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2020	$ 1,544,219
2021	795,912
2022	358,991
2023	590,683
Total	$ 3,289,805

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN

Primary Government

Plan Administration and Benefits

The County provides post-retirement 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. There is no separate, audited GAAP-basis post-employment benefit plan report available for the County's OPEB Plan.

The only requirement is the employee must retire from the County with 20 years of service and at least age 55. The benefits are offered until the retiree turns 65 and is eligible for Medicare. The County pays 75% of the Retiree Tier and 50% of the Family Tier, and the employee must pay the remaining percentage. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, and a separate report was not issued for the OPEB Plan.

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Primary Government (Continued)

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of the latest actuarial valuation at January 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	235
	240

Contributions

The Monroe County Board of Commissioners has elected to fund the OPEB plan on a "pay as you go" basis. The County contributed $23,727 to the OPEB Plan in fiscal year December 31, 2019. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Board of Commissioners.

Total OPEB Liability of the County

The County's total OPEB liability was measured as of January 1, 2019, and was determined by an actuarial valuation as of January 1, 2019.

Actuarial assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	2.50%
Salary Increases:	2.50% to 5.00%
Discount Rate:	4.10%
Healthcare Cost Trend Rate:	7.25% graded by 0.25% per year to an ultimate rate of 4.75% by 2028
Participation Rate:	75.00% for members and 20% for spouse coverage

Mortality rates were based on the RP-2000 Mortality Table projected with scale AA to 2018.

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Primary Government (Continued)

Total OPEB Liability of the County (Continued)

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the January 1, 2019 valuation were based on the pension valuation prepared by GEBCorp as of January 1, 2019.

Discount rate

The discount rate used to measure the total OPEB liability was 4.10%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.10% as determined by the Bond Buyer 20-Bond GO Index Rate as of the December 31, 2018 measurement date.

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County for the year ended December 31, 2019 (measurement date of December 31, 2018), were as follows:

	Total OPEB Liability (a)
Balances at December 31, 2018	$ 2,711,591
Changes for the year:	
Service cost	154,531
Interest	92,691
Differences between expected and actual experience	(32,043)
Assumption changes	(192,734)
Benefit payments	(34,447)
Net changes	(12,002)
Balances at December 31, 2019	$ 2,699,589

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Primary Government (Continued)

Sensitivity of the Total OPEB Liability to changes in the discount rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.00% Decrease (3.10%)	Current Discount Rate (4.10%)	1.00% Increase (5.10%)
Total OPEB liability	$ 2,997,231	$ 2,699,589	$ 2,434,045

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease (6.00%)	Current Healthcare Cost Trend Rate (7.00%)	1.00% Increase (8.00%)
Total OPEB liability	$ 2,346,610	$ 2,699,589	$ 3,123,439

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 revisions 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 the December 31, 2018 measurement date, and the current sharing pattern of costs between employer and inactive employees.

NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Primary Government (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the County recognized OPEB expense of $233,683. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,484	$ 27,725
Other changes in assumptions	70,324	166,759
County contributions subsequent to the measurement date	23,727	-
Total	$ 114,535	$ 194,484

County contributions subsequent to the measurement date of $23,727 are recorded as a deferred outflow of resources and will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Year ending December 31,	
2020	$ (13,539)
2021	(13,539)
2022	(13,539)
2023	(13,539)
2024	(13,539)
Thereafter	(35,981)
Total	$ (103,676)

NOTE 12. RISK MANAGEMENT

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

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk 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, 2019, is based on requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Required disclosure representing the changes in the balances of claims liabilities during the years ended December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Unpaid claims, beginning of fiscal year	**$ 129,741**	$ 246,311
Incurred claims	**8,002,896**	5,743,171
Claims Paid	**(7,962,567)**	(5,859,741)
Unpaid claims, end of fiscal year	**$ 170,070**	$ 129,741

NOTE 13. CONTINGENCIES AND COMMITMENTS

Grant Contingencies

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

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at December 31, 2019, the County has contractual commitments on uncompleted construction contracts of approximately $81,043.

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

MONROE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S
NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	**$ 373,948**	$ 390,140	$ 354,503	$ 357,191	$ 377,611
Interest on total pension liability	**2,048,004**	2,006,388	1,855,132	1,742,195	1,651,403
Differences between expected and actual experience	**(232,389)**	(717,238)	1,010,598	165,198	-
Changes of assumptions	**2,002,140**	54,599	807,670	779,231	-
Benefit payments, including refunds of employee contributions	**(1,220,787)**	(1,098,959)	(1,078,414)	(998,766)	(818,466)
Net change in total pension liability	**2,970,916**	634,930	2,949,489	2,045,049	1,210,548
Total pension liability - beginning	**28,858,728**	28,223,798	25,274,309	23,229,260	22,018,712
Total pension liability - ending (a)	**$ 31,829,644**	$ 28,858,728	$ 28,223,798	$ 25,274,309	$ 23,229,260
Plan fiduciary net position					
Contributions - employer	**$ 873,439**	1,167,800	$ 1,215,850	$ 1,122,951	$ 1,147,758
Net investment income	**(1,097,068)**	3,338,566	1,407,318	132,823	1,330,402
Benefit payments, including refunds of employee contributions	**(1,220,787)**	(1,098,959)	(1,078,414)	(962,666)	(788,883)
Administrative expenses	**(38,858)**	(36,561)	(40,319)	(39,509)	(37,988)
Other	**(154,115)**	(214,619)	(181,945)	(196,422)	(201,212)
Net change in fiduciary net position	**(1,637,389)**	3,156,227	1,322,490	57,177	1,450,077
Plan fiduciary net position - beginning	**24,747,655**	21,591,428	20,268,938	20,211,761	18,761,684
Plan fiduciary net position - ending (b)	**$ 23,110,266**	$ 24,747,655	$ 21,591,428	$ 20,268,938	$ 20,211,761
County's net pension liability - ending (a) - (b)	**$ 8,719,378**	$ 4,111,073	$ 6,632,370	$ 5,005,371	$ 3,017,499
Plan fiduciary net position as a percentage of total pension liability	**72.61%**	85.75%	76.50%	80.20%	87.01%
Covered payroll	**$ 6,920,209**	$ 6,983,538	$ 7,226,818	$ 7,516,338	$ 7,552,981
County's net pension liability as a percentage of covered payroll	**126.00%**	58.87%	91.77%	66.59%	39.95%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

MONROE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 873,439**	$ 1,167,800	$ 1,215,850	$ 1,122,951	$ 1,147,758	$ 1,399,777
Contributions in relation to the actuarially determined contribution	**873,439**	1,167,800	1,215,850	1,122,951	1,147,758	1,399,777
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 6,495,834**	$ 6,920,209	$ 6,983,538	$ 7,226,818	$ 7,516,338	$ 7,552,981
Contributions as a percentage of covered payroll	13.45%	16.88%	17.41%	15.54%	15.27%	18.53%

Notes to the Schedule:

Valuation Date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.50% - 5.50% (including 3.00% 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, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

Total OPEB liability	**2019**	2018
Service cost	**$ 154,531**	$ 140,748
Interest on total OPEB liability	**92,691**	90,747
Differences between expected and actual experience	**(32,043)**	28,042
Changes of assumptions	**(192,734)**	96,274
Benefit payments, including refunds of employee contributions	**(34,447)**	(89,021)
Net change in total OPEB liability	**(12,002)**	266,790
Total OPEB liability - beginning	**2,711,591**	2,444,801
Total OPEB liability - ending	**$ 2,699,589**	$ 2,711,591
Covered payroll	**$ 9,158,940**	$ 9,158,940
County's total OPEB liability as a percentage of covered payroll	**29.47%**	29.61%

Notes to the Schedule:

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

The discount rate changed from 3.78% at the December 31, 2016 measurement date to 3.44% at the December 31, 2017 measurement date.

The discount rate changed from 3.44% at the December 31, 2017 measurement date to 4.10% at the December 31, 2018 measurement date.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of the GASB Statement No. 75 for payment of future OPEB benefits.

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.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
ASSETS					
Cash	$ 34,997	$ 31,256	$ 5,102	$ 182,209	$ 38,007
Investments	58,118	-	6,370	-	-
Accounts receivable	-	-	-	-	4,500
Interest receivable	-	-	8	-	-
Due from other governments	-	16,340	-	-	-
Total assets	$ 93,115	$ 47,596	$ 11,480	$ 182,209	$ 42,507
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 2,886
Accrued liabilities	-	-	-	-	1,191
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	8,335
Total liabilities	-	-	-	-	12,412
FUND BALANCES (DEFICIT)					
Restricted for:					
Judicial	-	-	11,480	-	-
Public safety	-	47,596	-	182,209	30,095
Assigned for:					
Culture and recreation	93,115	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	93,115	47,596	11,480	182,209	30,095
Total liabilities and fund balances (deficits)	$ 93,115	$ 47,596	$ 11,480	$ 182,209	$ 42,507

Special Revenue Funds								
C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Total Nonmajor Governmental Funds
$ 168,590	$ 48,717	$ 2	$ -	$ 12,808	$ 3,797	$ 4,596	$ 530,081
-	-	-	-	-	-	-	64,488
-	-	-	-	-	-	-	4,500
-	-	-	-	-	-	-	8
31,683	-	80,108	-	-	-	-	128,131
$ 200,273	$ 48,717	$ 80,110	$ -	$ 12,808	$ 3,797	$ 4,596	$ 727,208
$ 12,287	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,173
2,927	-	-	-	-	-	-	4,118
2,990	-	80,108	-	-	-	-	83,098
17,436	-	116	-	-	2,187	-	28,074
35,640	-	80,224	-	-	2,187	-	130,463
164,633	-	-	-	-	-	4,596	180,709
-	48,717	-	-	12,808	1,610	-	323,035
-	-	-	-	-	-	-	93,115
-	-	(114)	-	-	-	-	(114)
164,633	48,717	(114)	-	12,808	1,610	4,596	596,745
$ 200,273	$ 48,717	$ 80,110	$ -	$ 12,808	$ 3,797	$ 4,596	$ 727,208

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Library	Forfeited Funds	Law Library	Jail Fines	Drug Education
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	5,825	38,268	21,631	159,367	43,449
Charges for services	7,287	-	-	-	-
Interest income	977	4	76	12	5
Contributions	68	-	-	-	-
Miscellaneous	11	-	-	-	-
Total revenues	14,168	38,272	21,707	159,379	43,454
Expenditures:					
Current:					
Judicial	-	-	26,690	-	-
Public safety	-	34,428	-	43,901	33,247
Public works	-	-	-	-	-
Culture and recreation	11,073	-	-	-	-
Total expenditures	11,073	34,428	26,690	43,901	33,247
Excess (deficiency) of revenues over (under) expenditures	3,095	3,844	(4,983)	115,478	10,207
Other financing uses:					
Transfers out	-	-	-	-	-
Total other financing uses	-	-	-	-	-
Net change in fund balances	3,095	3,844	(4,983)	115,478	10,207
Fund balances (deficits), beginning of year	90,020	43,752	16,463	66,731	19,888
Fund balances (deficits), end of year	$ 93,115	$ 47,596	$ 11,480	$ 182,209	$ 30,095

Special Revenue Funds								
C.A.R.E. Cottage	Federal Forfeited Funds	CDBG Water Grant	EMS Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Total Nonmajor Governmental Funds
$ 122,757	$ -	$ -	$ -	$ 20,146	$ -	$ -	$ 142,903
86,097	50,530	-	-	-	-	290	405,457
-	-	-	-	-	-	-	7,287
537	3	-	-	2	-	-	1,616
-	-	-	-	-	-	-	68
14,290	-	-	-	-	-	-	14,301
223,681	50,533	-	-	20,148	-	290	571,632
181,393	-	-	-	-	-	-	208,083
-	-	-	-	-	-	-	111,576
-	-	114	-	-	-	-	114
-	-	-	-	-	-	-	11,073
181,393	-	114	-	-	-	-	330,846
42,288	50,533	(114)	-	20,148	-	290	240,786
(8,000)	-	-	(318)	-	-	-	(8,318)
(8,000)	-	-	(318)	-	-	-	(8,318)
34,288	50,533	(114)	(318)	20,148	-	290	232,468
130,345	(1,816)	-	318	(7,340)	1,610	4,306	364,277
$ 164,633	$ 48,717	$ (114)	$ -	$ 12,808	$ 1,610	$ 4,596	$ 596,745

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE FOR THE YEAR ENDED DECEMBER 31, 2019

Project Description	Original Estimated Cost	Expenditures		
		Prior Years, As Restated	Current Year	Total
Roads, Streets, Bridges	$ 7,000,000	$ 15,320,458	$ 4,161,809	$ 19,482,267
Construction of Water and Sewer Lines	7,000,000	5,822,032	24,266	5,846,298
Patrol Vehicles	800,000	762,540	220,478	983,018
Emergency Services Equipment	1,500,000	519,809	-	519,809
Recreation Facilities and Equipment	2,500,000	252,413	84,758	337,171
Hospital Capital Improvements	1,000,000	773,131	497,755	1,270,886
Emergency 911 Radio System Upgrade	3,100,000	3,221,285	-	3,221,285
Library Facilities and Equipment	150,000	5,789	-	5,789
Road Department Heavy Equipment	1,250,000	733,016	329,901	1,062,917
Civic Center Facilities and Equipment	1,200,000	1,415,011	12,658	1,427,669
City of Forsyth	4,600,000	3,109,847	957,262	4,067,109
City of Culloden	550,000	291,729	16,870	308,599
Total	$ 30,650,000	$ 32,227,060	$ 6,305,757	$ 38,532,817

Reconciliation of SPLOST schedules to financial statements:

Total of all SPLOST schedules of expenditures	$ 6,305,757
Expenditures - 2014 SPLOST Fund	$ 3,566,272
Transfers out - 2014 SPLOST Fund	2,739,485
	$ 6,305,757

Note: Bonds used to 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

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2020 ISSUE FOR THE YEAR ENDED DECEMBER 31, 2019

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Internet Capital Outlay Projects	$ 700,000	$ -	$ -	$ -
Future Land Acquisition & Infrastructure	1,865,075	-	-	-
Patrol Vehicles	746,030	-	-	-
Emergency Services Equipment	2,524,751	-	451,896	451,896
Recreation Facilities and Equipment	500,000	-	-	-
Roads, Streets, and Bridges	5,895,227	-	-	-
Construction of Water and Sewer Lines	6,827,765	-	614,278	614,278
Road Department Heavy Equipment	1,119,045	-	331,344	331,344
Government Building	850,986	-	810,808	810,808
Conference Center	186,507	-	-	-
City of Forsyth	3,827,091	-	-	-
City of Culloden	457,725	-	-	-
Total	$ 25,500,202	$ -	$ 2,208,326	$ 2,208,326

Reconciliation of SPLOST 2020 schedules to financial statements:

Total of all SPLOST 2020 schedules of expenditures	$ 2,208,326
Expenditures - 2020 SPLOST Fund	$ 1,594,048
Transfers out - 2020 SPLOST Fund	614,278
	$ 2,208,326

Note: Bonds used to 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

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2019

	Building Inspection	Conference Center	Total Nonmajor Enterprise Funds
ASSETS			
CURRENT ASSETS			
Cash	$ -	$ 3,718	$ 3,718
Accounts receivable, net of allowances	-	270	270
Total current assets	-	3,988	3,988
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	-	23,037	23,037
Depreciable, net of accumulated depreciation	-	878,542	878,542
Total capital assets	-	901,579	901,579
Total noncurrent assets	-	901,579	901,579
Total assets	-	905,567	905,567
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	1,989	1,989
Accrued liabilities	-	2,821	2,821
Compensated absences payable, current	-	3,011	3,011
Total current liabilities	-	7,821	7,821
LONG-TERM LIABILITIES			
Compensated absences	-	12,957	12,957
Total long-term liabilities	-	12,957	12,957
Total liabilities	-	20,778	20,778
NET POSITION			
Investment in capital assets	-	901,579	901,579
Unrestricted	-	(16,790)	(16,790)
Total net position	$ -	$ 884,789	$ 884,789

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

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Building Inspection	Conference Center	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for services:			
Rent	$ -	$ 154,911	$ 154,911
Miscellaneous	-	203	203
Total operating revenues	-	155,114	155,114
Operating expenses			
Personal services	-	143,040	143,040
Purchased/contracted services	-	29,128	29,128
Supplies and materials	-	4,053	4,053
Utilities and purchased water	-	19,870	19,870
Depreciation	-	20,587	20,587
Total operating expenses	-	216,678	216,678
Operating loss	-	(61,564)	(61,564)
Loss before transfers	-	(61,564)	(61,564)
Transfers			
Transfers in	-	144,728	144,728
Transfers out	(39,025)	-	(39,025)
Total transfers	(39,025)	144,728	105,703
Change in net position	(39,025)	83,164	44,139
Net position, beginning of year	39,025	801,625	840,650
Net position, end of year	$ -	$ 884,789	$ 884,789

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

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Building Inspection	Conference Center	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ -	$ 154,844	$ 154,844
Payments to suppliers and service providers	(810)	(55,474)	(56,284)
Payments to employees	(50,873)	(141,405)	(192,278)
Receipts/payments from interfund services	10,492	(157,321)	(146,829)
Net cash used in operating activities	(41,191)	(199,356)	(240,547)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(39,025)	-	(39,025)
Transfers in	-	144,728	144,728
Net cash provided by (used in) noncapital financing activities	(39,025)	144,728	105,703
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	-	(7,392)	(7,392)
Net cash used in capital and related financing activities	-	(7,392)	(7,392)
Net decrease in cash and cash equivalents	(80,216)	(62,020)	(142,236)
Cash and cash equivalents:			
Beginning of year	80,216	65,738	145,954
End of year	$ -	$ 3,718	$ 3,718
Classified as:			
Cash and cash equivalents	$ -	$ 3,718	$ 3,718
	$ -	$ 3,718	$ 3,718

(Continued)

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Building Inspection	Conference Center	Total Nonmajor Enterprise Funds
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$ -	$ (61,564)	$ (61,564)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	20,587	20,587
(Increase) decrease in:			
Accounts receivable	-	(270)	(270)
Due from other funds	10,492	-	10,492
Deferred outflows of resources - pensions	16,275	-	16,275
Increase (decrease) in:			
Accounts payable	(810)	(2,423)	(3,233)
Accrued liabilities	(4,087)	(1,272)	(5,359)
Compensated absences	(71)	2,907	2,836
Due to other funds	-	(157,321)	(157,321)
Net pension liability	(48,922)	-	(48,922)
Deferred inflows of resources - pensions	(14,068)	-	(14,068)
Net cash used in operating activities	$ (41,191)	$ (199,356)	$ (240,547)

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 the County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of the 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, 2019

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 4,641,265	$ 123,572	$ 137,192	$ 37,289	$ 433,701	$ 5,373,019
Taxes receivable	8,569,007	-	-	-	-	8,569,007
Total assets	$ 13,210,272	$ 123,572	$ 137,192	$ 37,289	$ 433,701	$ 13,942,026
LIABILITIES						
Due to others	$ 4,641,265	$ 123,572	$ 137,192	$ 37,289	$ 433,701	$ 5,373,019
Uncollected taxes	8,569,007	-	-	-	-	8,569,007
Total liabilities	$ 13,210,272	$ 123,572	$ 137,192	$ 37,289	$ 433,701	$ 13,942,026

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 31, 2020. Our report includes a reference to other auditors who audited the financial statements of the Monroe County Health Department (the "Health Department"), as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses we consider to be material weaknesses and significant deficiencies. We consider the deficiencies 2019-001 and 2019-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Monroe County, Georgia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County'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
August 31, 2020

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

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?	____ Yes X No
Noncompliance material to financial statements noted?	X Yes ____ No

Federal Awards

A single audit was not performed for the year ended December 31, 2019 due to the County not expending $750,000 or more of federal funds.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS

2019-001 General Accounting Matters (Repeat Finding of Prior Year 2018-001)

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 ("GAAP") 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: Significant adjustments were determined and required to be recorded in the months that followed December 31, 2019. 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 during the fiscal year 2019. 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
- to properly maintain capital asset details and the related activity.

Specifically, we noted several of the County's trial balances did not balance as of the year end due to system complications. Also we noted County's capital assets were not properly maintained to capture all such activity during the year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-001 General Accounting Matters (Repeat Finding of Prior Year 2018-001) (Continued)

Condition:
(Continued) We believe it is 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 and noticed great improvement from the prior year's audit.

Context: We addressed this matter with County officials who were able to provide all respective details for the year ended December 31, 2019.

Effect: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Recommendation: We recommend the County 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 and reporting of County operations and financial and non-financial activities.

We further recommend the County continue reinvesting in its accounting personnel by offering 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.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-001 General Accounting Matters (Repeat Finding of Prior Year 2018-001) (Continued)

Views of Responsible Officials and Planned Corrective Action: We agree that this is an entity wide issue. The county is working on an action plan to eliminate the weaknesses countywide. We are working on putting measures in place for the lack of segregation of duties and timely accountability with all departments; including constitutional offices. The Finance Department is currently putting their personnel through the CVIOG Finance Officer's Certification Program. And, we are also working on a cross training program. This will take some time overall to get everything in place; however, we are on the right track with the current staff in place.

2019-002 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2018-002)

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 various funds administered 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:

- Tax Commissioner's Office – one individual with the authority to sign checks also reconciles the bank statement. Further, we noted no independent review of the reconciled bank statements.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2019-002 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2018-002) (Continued)

Condition (Continued)

- Magistrate Court – one individual with the authority to prepare and sign checks also reconciles the bank statement. Further, we noted no independent review of the reconciled bank statements.
- Probate Court – one individual with the authority to open mail, post receipts, balance cash, prepare deposits and reconciles bank statements. Further, we noted no independent review of the reconciled bank statements.
- Superior Court – one individual with the authority to prepare and sign checks also reconciles the bank statement.
- Sheriff's Office – individuals that reconcile bank statements also take deposits to the bank and post transactions to the general ledger.

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

Effect: Failure to properly segregate duties can lead to misappropriation of funds that is not detected during the normal course of business.

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

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

Views of Responsible Officials and Planned Corrective Action: We agree there is a lack of segregation of duties in the offices of the above mentioned areas due to minimum staffing in those departments. Procedures are continuing to be reviewed and implemented. Currently bank statements are being reconciled in these areas and then sent up to finance for review and approval.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES

Not Applicable.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

2018-001 General Accounting Matters (Repeat Finding of Prior Year 2017-001)

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 ("GAAP") 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: Significant adjustments were determined and required to be recorded in the months that followed December 31, 2018. Additionally, it was noted that some of the County's Funds' activity had not been recorded for months on end. 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 during the fiscal year 2018. 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 30 separate general ledgers ranging from the General Fund, special revenue funds, capital projects funds, enterprise funds and a private purpose trust fund.

We consistently noted the lack of separation of duties relative to the:

- preparation and review of certain reconciliations and subsidiary ledgers; and
- the general ledger, resulting from a lack of trained and experienced personnel in the Finance department. Additionally, there appears to be a continued lack of organization with regard to filing journal entries, deposits, and disbursement items.

2018-001 General Accounting Matters (Repeat Finding of Prior Year 2017-001) (Continued)

Condition:
(Continued) We believe it is 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 and noticed great improvement from the prior year's audit.

As part of the audit process, we sampled the journal entries recorded by the County during fiscal year 2018. Our sample results noted evidence lacking proper and adequate review of journal entries.

Auditee
Response/Status Unresolved. This is included in current finding number 2019-001

2018-002 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2017-002)

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 various funds administered 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:

- Tax Commissioner's Office – one individual with the authority to sign checks also reconciles the bank statement.
- Sheriff's Office – individuals that reconcile bank statements also take deposits to the bank and post transactions to the general ledger.
- 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.

MONROE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

2018-002 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2017-002) (Continued)

Condition:
(Continued)

- Water Fund – individuals with access to cash receipts from customers also have the ability to post payments and adjustments in the system to customers' accounts. These duties should be separated to avoid any misappropriation of County funds.

Auditee
Response/Status: Unresolved. This is included in current finding number 2019-002

2018-003 Compliance with State Law (Repeat Finding of Prior Year 2017-006)

Criteria: State law (O.C.G.A. § 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 and not commingled with other funds of the County.

Condition: The County maintains separate SPLOST funds for each SPLOST issuance 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 significant audit adjustments to Due to SPLOST balances as of December 31, 2018.

Auditee
Response/Status: Resolved in the current year.