

MONROE COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

INTRODUCTORY SECTION

MONROE COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monroe County, Georgia** (the "County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Monroe County Board of Health (the "Board of Health"), which represent 7.1%, 0.8%, and 29.9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Health, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 (on pages 57 and 58), Schedule of County Contributions (on pages 59 and 60) and Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on pages 61 and 62) to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 not presented the Management's Discussion and Analysis ("MD&A") that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax ("TSPLOST") proceeds is presented for purposes of additional analysis as required by the O.C.G.A. §48-8-269.5 and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial

statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, and the accompanying Schedule of Expenditures of Federal Awards 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 November 13, 2023, 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
November 13, 2023

BASIC FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Development Authority	Industrial Development Authority	Board of Health
ASSETS						
Cash and cash equivalents	\$ 31,450,688	\$ 1,514,577	\$ 32,965,265	\$ 2,709,130	\$ 1,702,860	\$ 353,046
Investments	10,734,838	161,566	10,896,404	-	-	106,853
Taxes receivable	4,312,455	-	4,312,455	-	-	-
Accounts receivable, net of allowances	5,983,033	393,758	6,376,791	17,113	-	-
Due from other governments	553,987	-	553,987	-	-	43,349
Internal balances	959,040	(959,040)	-	-	-	-
Inventories	253,168	81,262	334,430	-	-	-
Prepaid items	194,795	-	194,795	4,957	-	-
Restricted assets: cash	14,074,791	166,428	14,241,219	-	-	-
Total other post-employment benefits asset	-	-	-	-	-	12,446
Capital assets, non-depreciable	1,893,305	10,038,815	11,932,120	1,896,751	38,300	-
Capital assets, depreciable, net of accumulated depreciation	71,814,277	49,029,863	120,844,140	494,818	-	11,502
Total assets	142,224,377	60,427,229	202,651,606	5,122,769	1,741,160	527,196
DEFERRED OUTFLOW OF RESOURCES						
Pensions	510,904	28,423	539,327	-	-	77,647
Other post-employment benefits	885,245	-	885,245	-	-	121,738
Total deferred outflows of resources	1,396,149	28,423	1,424,572	-	-	199,385
LIABILITIES						
Accounts payable	1,556,075	1,178,859	2,734,934	3,214	38,300	12,979
Accrued liabilities	1,409,648	71,166	1,480,814	-	-	8,279
Unearned revenues	1,066,495	-	1,066,495	-	-	-
Due to other governments	460,407	-	460,407	-	-	-
Accrued interest	57,634	-	57,634	-	-	-
Customer deposits payable	-	166,428	166,428	-	-	-
Financed purchases due within one year	1,163,908	-	1,163,908	-	-	-
Financed purchases due in more than one year	5,228,529	-	5,228,529	-	-	-
Compensated absences due within one year	555,844	29,083	584,927	-	-	-
Compensated absences due in more than one year	1,712,379	240,422	1,952,801	-	-	23,060
Net pension liability due in more than one year	3,125,763	173,892	3,299,655	-	-	259,010
Notes payable due within one year	-	56,192	56,192	-	-	-
Notes payable due in more than one year	-	850,535	850,535	-	-	-
Bonds payable due within one year	4,210,000	-	4,210,000	-	-	-
Bonds payable due in more than one year	30,057,680	-	30,057,680	-	-	-
Landfill closure and post-closure care costs due in more than one year	-	2,056,076	2,056,076	-	-	-
Total other post-employment benefits liability due in more than one year	3,834,755	-	3,834,755	-	-	-
Total liabilities	54,439,117	4,822,653	59,261,770	3,214	38,300	303,328
DEFERRED INFLOW OF RESOURCES						
Pensions	3,335,845	185,579	3,521,424	-	-	240,463
Other post-employment benefits	526,019	-	526,019	-	-	124,568
Total deferred inflows of resources	3,861,864	185,579	4,047,443	-	-	365,031
NET POSITION						
Net investment in capital assets	47,122,256	58,161,951	105,284,207	2,391,569	38,300	11,502
Restricted for:						
Judicial	364,167	-	364,167	-	-	-
Public safety	1,660,386	-	1,660,386	-	-	-
Capital projects	18,875,008	-	18,875,008	-	-	-
Unrestricted	17,297,728	(2,714,531)	14,583,197	2,727,986	1,664,560	46,720
Total net position	\$ 85,319,545	\$ 55,447,420	\$ 140,766,965	\$ 5,119,555	\$ 1,702,860	\$ 58,222

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

MONROE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units		
								Development Authority	Industrial Development Authority	Board of Health
Primary government										
Governmental activities:										
General government	\$ 10,998,184	\$ 1,201,543	\$ 191,818	\$ -	\$ (9,604,823)	\$ -	\$ (9,604,823)	\$ -	\$ -	\$ -
Judicial	1,977,109	3,773,606	-	-	1,796,497	-	1,796,497	-	-	-
Public safety	14,187,616	2,320,209	7,357,117	-	(4,510,290)	-	(4,510,290)	-	-	-
Public works	5,831,621	758,037	981,854	818,580	(3,273,150)	-	(3,273,150)	-	-	-
Health and welfare	1,970,713	-	30,246	-	(1,940,467)	-	(1,940,467)	-	-	-
Culture and recreation	1,096,121	175,699	218	-	(920,204)	-	(920,204)	-	-	-
Housing and development	1,064,638	-	-	-	(1,064,638)	-	(1,064,638)	-	-	-
Interest on long-term debt	1,008,596	-	-	314	(1,008,282)	-	(1,008,282)	-	-	-
Total governmental activities	38,134,598	8,229,094	8,561,253	818,894	(20,525,357)	-	(20,525,357)	-	-	-
Business-type activities:										
Water	4,074,259	3,432,899	-	-	-	(641,360)	(641,360)	-	-	-
Landfill	2,117,169	728,660	-	-	-	(1,388,509)	(1,388,509)	-	-	-
Building inspections	199,158	105,690	-	-	-	(93,468)	(93,468)	-	-	-
Total business-type activities	6,390,586	4,267,249	-	-	-	(2,123,337)	(2,123,337)	-	-	-
Total primary government	<u>\$ 44,525,184</u>	<u>\$ 12,496,343</u>	<u>\$ 8,561,253</u>	<u>\$ 818,894</u>	<u>(20,525,357)</u>	<u>(2,123,337)</u>	<u>(22,648,694)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component units										
Development Authority	\$ 224,796	\$ 139,800	\$ -	\$ -	-	-	-	(84,996)	-	-
Industrial Development Authority	2,670	-	1,705,530	-	-	-	-	-	1,702,860	-
Board of Health	692,205	321,676	463,098	-	-	-	-	-	-	92,569
Total component units	<u>\$ 919,671</u>	<u>\$ 461,476</u>	<u>\$ 2,168,628</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,996)</u>	<u>1,702,860</u>	<u>92,569</u>
General revenues:										
Property taxes					20,231,235	-	20,231,235	-	-	-
Sales taxes					18,129,507	-	18,129,507	-	-	-
Insurance premium tax					1,814,548	-	1,814,548	-	-	-
Intangible tax					408,166	-	408,166	-	-	-
Alcoholic beverages tax					117,924	-	117,924	-	-	-
Other taxes					267,747	-	267,747	-	-	-
Unrestricted investment earnings					359,767	2,608	362,375	1,043	-	409
Transfers					(11,555,578)	11,555,578	-	-	-	-
Total general revenues and transfers					<u>29,773,316</u>	<u>11,558,186</u>	<u>41,331,502</u>	<u>1,043</u>	<u>-</u>	<u>409</u>
Change in net position					<u>9,247,959</u>	<u>9,434,849</u>	<u>18,682,808</u>	<u>(83,953)</u>	<u>1,702,860</u>	<u>92,978</u>
Net position (deficit), beginning of year					<u>76,071,586</u>	<u>46,012,571</u>	<u>122,084,157</u>	<u>5,203,508</u>	<u>-</u>	<u>(34,756)</u>
Net position, end of year					<u>\$ 85,319,545</u>	<u>\$ 55,447,420</u>	<u>\$ 140,766,965</u>	<u>\$ 5,119,555</u>	<u>\$ 1,702,860</u>	<u>\$ 58,222</u>

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

MONROE COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General	Public Facilities Authority	ARPA	2014 SPLOST	2020 SPLOST	2022 TSPLOST	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 20,502,212	\$ -	\$ 1,033,875	\$ 276,329	\$ 3,142,967	\$ 4,384,927	\$ 2,110,378	\$ 31,450,688
Investments	10,668,526	-	-	-	-	-	66,312	10,734,838
Taxes receivable (net)	3,665,553	-	-	-	646,902	-	-	4,312,455
Accounts receivable (net)	1,038,450	-	4,353,774	-	-	579,811	10,998	5,983,033
Due from other governments	-	497,252	-	-	-	-	56,735	553,987
Due from other funds	5,355,820	-	-	-	353,871	-	8,422	5,718,113
Inventories	253,168	-	-	-	-	-	-	253,168
Prepaid items	194,795	-	-	-	-	-	-	194,795
Restricted cash	-	14,074,791	-	-	-	-	-	14,074,791
Total assets	<u>\$ 41,678,524</u>	<u>\$ 14,572,043</u>	<u>\$ 5,387,649</u>	<u>\$ 276,329</u>	<u>\$ 4,143,740</u>	<u>\$ 4,964,738</u>	<u>\$ 2,252,845</u>	<u>\$ 73,275,868</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 691,656	\$ -	\$ 20,672	\$ 8,818	\$ 676,404	\$ 6,200	\$ 152,325	\$ 1,556,075
Accrued liabilities	1,368,041	-	-	-	-	-	41,607	1,409,648
Unearned revenues	-	-	1,033,875	-	-	-	32,620	1,066,495
Due to other governments	-	-	-	-	295,758	164,649	-	460,407
Due to other funds	21,164	-	4,282,917	-	430,011	-	24,981	4,759,073
Total liabilities	<u>2,080,861</u>	<u>-</u>	<u>5,337,464</u>	<u>8,818</u>	<u>1,402,173</u>	<u>170,849</u>	<u>251,533</u>	<u>9,251,698</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	529,302	-	-	-	-	-	-	529,302
Unavailable revenue - emergency services	145,268	-	-	-	-	-	-	145,268
Unavailable revenue - intergovernmental	-	-	3,965,514	-	-	-	-	3,965,514
Total deferred inflows of resources	<u>674,570</u>	<u>-</u>	<u>3,965,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,640,084</u>
FUND BALANCES (DEFICIT)								
Fund balances:								
Non-spendable:								
Inventories	253,168	-	-	-	-	-	-	253,168
Prepaid items	194,795	-	-	-	-	-	-	194,795
Restricted for:								
Judicial	-	-	-	-	-	-	364,167	364,167
Public safety	-	-	-	-	-	-	1,660,386	1,660,386
Capital projects	10,574,779	14,572,043	-	267,511	2,741,567	4,793,889	10	32,949,799
Assigned for:								
General government	2,420,815	-	-	-	-	-	-	2,420,815
Culture and recreation	-	-	-	-	-	-	96,504	96,504
Unassigned	25,479,536	-	(3,915,329)	-	-	-	(119,755)	21,444,452
Total fund balances (deficit)	<u>38,923,093</u>	<u>14,572,043</u>	<u>(3,915,329)</u>	<u>267,511</u>	<u>2,741,567</u>	<u>4,793,889</u>	<u>2,001,312</u>	<u>59,384,086</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,678,524</u>	<u>\$ 14,572,043</u>	<u>\$ 5,387,649</u>	<u>\$ 276,329</u>	<u>\$ 4,143,740</u>	<u>\$ 4,964,738</u>	<u>\$ 2,252,845</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	73,707,582
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,640,084
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(42,985,974)
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.	(5,950,704)
The total OPEB liability and related deferred outflows of resources are not financial resources and, therefore are not reported in the governmental funds.	(3,475,529)
Net position of governmental activities	<u>\$ 85,319,545</u>

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, 2022

	General	Public Facilities Authority	ARPA	2014 SPLOST	2020 SPLOST	2022 TSPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Property taxes	\$ 20,078,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,078,951
Sales taxes	5,649,854	-	-	-	7,533,693	4,945,960	-	18,129,507
Other taxes	2,608,385	-	-	-	-	-	-	2,608,385
Licenses and permits	776,011	-	-	-	-	-	-	776,011
Intergovernmental	622,417	-	4,512,855	-	-	-	257,989	5,393,261
Charges for services	2,985,387	-	-	-	-	-	524,363	3,509,750
Fines and forfeitures	2,491,418	-	-	-	-	-	1,092,673	3,584,091
Interest income	167,327	191,510	321	-	314	-	609	360,081
Contributions	-	-	-	-	-	-	2,470	2,470
Miscellaneous	462,055	-	-	-	-	-	93,130	555,185
Total revenues	35,841,805	191,510	4,513,176	-	7,534,007	4,945,960	1,971,234	54,997,692
Expenditures								
Current:								
General government	9,184,118	-	-	-	-	77,515	-	9,261,633
Judicial	1,704,967	-	-	-	-	-	279,712	1,984,679
Public safety	12,033,143	-	1,139,012	-	-	-	1,867,413	15,039,568
Public works	2,696,552	-	-	-	-	-	7,039	2,703,591
Health and welfare	226,773	1,705,530	-	-	-	-	-	1,932,303
Culture and recreation	836,282	-	-	-	-	-	11,073	847,355
Housing and development	1,107,252	-	-	-	-	-	-	1,107,252
Intergovernmental	-	-	-	-	1,190,026	742,288	-	1,932,314
Capital outlay	-	-	-	1,212,394	8,395,133	-	790,714	10,398,241
Debt service:								
Principal	1,137,808	3,515,000	-	-	-	-	-	4,652,808
Interest and fiscal charges	159,371	1,354,390	-	-	-	-	-	1,513,761
Total expenditures	29,086,266	6,574,920	1,139,012	1,212,394	9,585,159	819,803	2,955,951	51,373,505
Excess (deficiency) of revenues over (under) expenditures	6,755,539	(6,383,410)	3,374,164	(1,212,394)	(2,051,152)	4,126,157	(984,717)	3,624,187
Other financing sources (uses)								
Sale of capital assets	329,840	-	-	-	-	-	-	329,840
Transfers in	3,557,810	4,454,878	-	-	5,397,104	667,732	1,451,576	15,529,100
Transfers out	(7,879,182)	(1,449,412)	(7,289,628)	-	(2,795,213)	-	-	(19,413,435)
Total other financing sources (uses)	(3,991,532)	3,005,466	(7,289,628)	-	2,601,891	667,732	1,451,576	(3,554,495)
Net change in fund balances	2,764,007	(3,377,944)	(3,915,464)	(1,212,394)	550,739	4,793,889	466,859	69,692
Fund balance, beginning of year	36,159,086	17,949,987	135	1,479,905	2,190,828	-	1,534,453	59,314,394
Fund balance (deficit), end of year	\$ 38,923,093	\$ 14,572,043	\$ (3,915,329)	\$ 267,511	\$ 2,741,567	\$ 4,793,889	\$ 2,001,312	\$ 59,384,086

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, 2022

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

Net change in fund balances - total governmental funds	\$ 69,692
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(26,558)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(335,088)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	3,940,443
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.	5,163,495
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.	<u>435,975</u>
Change in net position - governmental activities	<u>\$ 9,247,959</u>

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 22,480,591	\$ 22,480,591	\$ 20,078,951	\$ (2,401,640)
Sales taxes	3,900,000	4,104,215	5,649,854	1,545,639
Other taxes	2,214,000	2,214,000	2,608,385	394,385
Licenses and permits	706,212	706,212	776,011	69,799
Intergovernmental	942,396	1,131,859	622,417	(509,442)
Charges for services	2,178,000	2,199,930	2,985,387	785,457
Fines and forfeitures	1,895,650	1,895,650	2,491,418	595,768
Investment income	650	8,150	167,327	159,177
Miscellaneous	117,000	404,935	462,055	57,120
Total revenues	34,434,499	35,145,542	35,841,805	696,263
Expenditures				
Current				
General government:				
County commissioners	1,712,071	875,219	875,219	-
Board of registrars	2,900	3,030	3,030	-
Elections	174,606	222,766	222,766	-
General administration	223	223	-	223
Financial administration	557,714	803,677	750,238	53,439
Purchasing	95,587	95,587	90,691	4,896
Fuel depot	-	788	788	-
Tax commissioner	357,951	357,951	346,414	11,537
Tax assessor	497,845	513,845	503,391	10,454
Board of equalization	8,042	8,042	52	7,990
Public buildings	998,937	1,203,123	933,224	269,899
Justice center	36,150	36,150	5,935	30,215
General insurance	5,566,615	5,566,615	5,452,370	114,245
Total general government	10,008,641	9,687,016	9,184,118	502,898
Judicial:				
Superior court	848,362	882,254	876,112	6,142
Clerk of superior court	329,558	329,558	306,049	23,509
Magistrate court	248,908	248,908	232,494	16,414
Probate court	276,675	288,361	288,361	-
Juvenile court	2,230	2,230	1,951	279
Total judicial	1,705,733	1,751,311	1,704,967	46,344
Public safety:				
Sheriff	4,193,336	4,757,186	4,757,186	-
Jail	2,638,091	2,752,993	2,629,367	123,626
School resource officer	297,866	365,223	365,223	-
Court security	175,795	193,423	193,423	-
Emergency services	4,077,770	4,548,807	3,814,946	733,861
Coroner	36,451	52,936	52,936	-
Animal control	152,650	252,594	187,580	65,014
Emergency management	35,696	35,696	32,482	3,214
Total public safety	11,607,655	12,958,858	12,033,143	925,715
Public works:				
Public roads	1,557,511	1,686,403	1,682,654	3,749
Maintenance and shop	616,903	1,013,898	1,013,898	-
Total public works	2,174,414	2,700,301	2,696,552	3,749

(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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
Health and welfare:				
Healthcare	\$ 171,981	\$ 171,981	\$ 171,981	\$ -
Welfare	29,292	29,292	29,292	-
Community services	25,500	25,500	25,500	-
Total health and welfare	<u>226,773</u>	<u>226,773</u>	<u>226,773</u>	<u>-</u>
Culture and recreation:				
Recreation	542,849	644,521	644,521	-
Library	229,324	229,324	191,761	37,563
Total culture and recreation	<u>772,173</u>	<u>873,845</u>	<u>836,282</u>	<u>37,563</u>
Housing and development:				
Extension service	106,819	106,819	82,301	24,518
Georgia forestry commission	18,218	18,218	18,218	-
Protective inspection	651,712	713,128	713,128	-
Planning and zoning	71,543	75,719	75,719	-
Economic development	180,400	230,603	186,348	44,255
Family connection	48,000	48,000	31,538	16,462
Total housing and development	<u>1,076,692</u>	<u>1,192,487</u>	<u>1,107,252</u>	<u>85,235</u>
Debt service:				
Principal	1,307,703	3,232,027	1,137,808	2,094,219
Interest and fiscal charges	-	159,371	159,371	-
Total debt service	<u>1,307,703</u>	<u>3,391,398</u>	<u>1,297,179</u>	<u>2,094,219</u>
Total expenditures	<u>28,879,784</u>	<u>32,781,989</u>	<u>29,086,266</u>	<u>3,695,723</u>
Excess of revenues over expenditures	<u>5,554,715</u>	<u>2,363,553</u>	<u>6,755,539</u>	<u>4,391,986</u>
Other financing sources (uses)				
Transfers in	-	138,223	3,557,810	3,419,587
Transfers out	(5,554,715)	(8,415,624)	(7,879,182)	536,442
Sale of assets	-	194,120	329,840	135,720
Total other financing uses, net	<u>(5,554,715)</u>	<u>(8,083,281)</u>	<u>(3,991,532)</u>	<u>4,091,749</u>
Net change in fund balance	-	(5,719,728)	2,764,007	8,483,735
Fund balance, beginning of year	<u>36,159,086</u>	<u>36,159,086</u>	<u>36,159,086</u>	<u>-</u>
Fund balance, end of year	<u>\$ 36,159,086</u>	<u>\$ 30,439,358</u>	<u>\$ 38,923,093</u>	<u>\$ 8,483,735</u>

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

MONROE COUNTY, GEORGIA

AMERICAN RESCUE PLAN ACT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,678,351	\$ 8,428,319	\$ 4,512,855	\$ (3,915,464)
Interest	-	321	321	-
Total revenues	<u>2,678,351</u>	<u>8,428,640</u>	<u>4,513,176</u>	<u>(3,915,464)</u>
EXPENDITURES				
Current:				
Public safety	2,678,351	1,139,012	1,139,012	-
Total expenditures	<u>2,678,351</u>	<u>1,139,012</u>	<u>1,139,012</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>7,289,628</u>	<u>3,374,164</u>	<u>(3,915,464)</u>
OTHER FINANCING USES				
Transfers out	-	(7,289,628)	(7,289,628)	-
Total other financing uses	<u>-</u>	<u>(7,289,628)</u>	<u>(7,289,628)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(3,915,464)</u>	<u>(3,915,464)</u>
FUND BALANCES, beginning of year	<u>135</u>	<u>135</u>	<u>135</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ (3,915,329)</u>	<u>\$ (3,915,464)</u>

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

MONROE COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

	Water	Landfill	Nonmajor Enterprise Func Conference Center	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 741,670	\$ 763,030	\$ 9,877	\$ 1,514,577
Investments	161,566	-	-	161,566
Accounts receivable, net of allowances	349,544	42,744	1,470	393,758
Inventory	81,262	-	-	81,262
Due from other funds	21,164	-	-	21,164
Restricted assets:				
Cash and cash equivalents	166,428	-	-	166,428
Total current assets	<u>1,521,634</u>	<u>805,774</u>	<u>11,347</u>	<u>2,338,755</u>
NON-CURRENT ASSETS				
Capital assets:				
Non-depreciable	9,820,012	195,766	23,037	10,038,815
Depreciable, net of accumulated depreciation	<u>42,300,995</u>	<u>5,900,596</u>	<u>828,272</u>	<u>49,029,863</u>
Total non-current assets	<u>52,121,007</u>	<u>6,096,362</u>	<u>851,309</u>	<u>59,068,678</u>
Total assets	<u>53,642,641</u>	<u>6,902,136</u>	<u>862,656</u>	<u>61,407,433</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	6,472	21,951	-	28,423
Total deferred outflows of resources	<u>6,472</u>	<u>21,951</u>	<u>-</u>	<u>28,423</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,107,777	66,986	4,096	1,178,859
Accrued liabilities	8,009	44,606	18,551	71,166
Notes payable, current	56,192	-	-	56,192
Compensated absences payable, current	13,854	12,039	3,190	29,083
Due to other funds	220,204	760,000	-	980,204
Customer deposits payable	166,428	-	-	166,428
Total current liabilities	<u>1,572,464</u>	<u>883,631</u>	<u>25,837</u>	<u>2,481,932</u>
LONG-TERM LIABILITIES				
Compensated absences, net of current portion	-	225,550	14,872	240,422
Accrued closure/post-closure costs	-	2,056,076	-	2,056,076
Net pension liability	39,596	134,296	-	173,892
Notes payable, net of current portion	850,535	-	-	850,535
Total long-term liabilities	<u>890,131</u>	<u>2,415,922</u>	<u>14,872</u>	<u>3,320,925</u>
Total liabilities	<u>2,462,595</u>	<u>3,299,553</u>	<u>40,709</u>	<u>5,802,857</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	42,257	143,322	-	185,579
Total deferred inflows of resources	<u>42,257</u>	<u>143,322</u>	<u>-</u>	<u>185,579</u>
NET POSITION				
Net investment in capital assets	51,214,280	6,096,362	851,309	58,161,951
Unrestricted	(70,019)	(2,615,150)	(29,362)	(2,714,531)
Total net position	<u>\$ 51,144,261</u>	<u>\$ 3,481,212</u>	<u>\$ 821,947</u>	<u>\$ 55,447,420</u>

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, 2022

	Water	Landfill	Nonmajor Enterprise Func Conference Center	Total
Operating revenues				
Charges for services:				
Water charges	\$ 3,081,591	\$ -	\$ -	\$ 3,081,591
Collection and disposal fees	-	727,704	-	727,704
Rent	-	-	105,690	105,690
Service charges	312,494	-	-	312,494
Miscellaneous	38,814	956	-	39,770
Total operating revenues	<u>3,432,899</u>	<u>728,660</u>	<u>105,690</u>	<u>4,267,249</u>
Operating expenses				
Personnel services	127,202	1,049,756	137,653	1,314,611
Purchased/contracted services	743,450	558,579	6,895	1,308,924
Supplies and materials	169,705	255,995	3,328	429,028
Utilities and purchased water	1,821,522	-	29,272	1,850,794
Depreciation	877,488	252,839	22,010	1,152,337
Total operating expenses	<u>3,739,367</u>	<u>2,117,169</u>	<u>199,158</u>	<u>6,055,694</u>
Operating loss	<u>(306,468)</u>	<u>(1,388,509)</u>	<u>(93,468)</u>	<u>(1,788,445)</u>
Non-operating revenues (expenses)				
Investment income	2,530	78	-	2,608
Interest expense	(334,892)	-	-	(334,892)
Total non-operating revenues (expenses)	<u>(332,362)</u>	<u>78</u>	<u>-</u>	<u>(332,284)</u>
Loss before transfers and capital contributions	(638,830)	(1,388,431)	(93,468)	(2,120,729)
Transfers				
Transfers in	8,276	3,822,646	53,413	3,884,335
Total transfers	<u>8,276</u>	<u>3,822,646</u>	<u>53,413</u>	<u>3,884,335</u>
Capital contributions	<u>7,366,951</u>	<u>304,292</u>	<u>-</u>	<u>7,671,243</u>
Change in net position	6,736,397	2,738,507	(40,055)	9,434,849
Net position, beginning of year	<u>44,407,864</u>	<u>742,705</u>	<u>862,002</u>	<u>46,012,571</u>
Net position, end of year	<u>\$ 51,144,261</u>	<u>\$ 3,481,212</u>	<u>\$ 821,947</u>	<u>\$ 55,447,420</u>

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, 2022

	Water	Landfill	Nonmajor Enterprise Func Conference Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,384,744	\$ 748,215	\$ 104,547	\$ 4,237,506
Payments to suppliers and service providers	(1,943,643)	(1,464,755)	(35,718)	(3,444,116)
Payments to employees	(142,320)	(1,046,785)	(119,819)	(1,308,924)
Receipts from interfund services provided	19,054	759,962	-	779,016
Net cash provided by (used in) operating activities	1,317,835	(1,003,363)	(50,990)	263,482
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	8,276	3,822,646	53,413	3,884,335
Net cash provided by non-capital financing activities	8,276	3,822,646	53,413	3,884,335
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(409,656)	(2,089,781)	-	(2,499,437)
Principal payments on notes payable	(55,050)	-	-	(55,050)
Interest paid	(334,892)	-	-	(334,892)
Net cash used in capital and related financing activities	(799,598)	(2,089,781)	-	(2,889,379)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(2,531)	-	-	(2,531)
Interest on investments	2,530	78	-	2,608
Net cash provided by investing activities	(1)	78	-	77
Change in cash and cash equivalents	526,512	729,580	2,423	1,258,515
Cash and cash equivalents:				
Beginning of year	381,586	33,450	7,454	422,490
End of year	\$ 908,098	\$ 763,030	\$ 9,877	\$ 1,681,005
Classified as:				
Cash and cash equivalents	\$ 741,670	\$ 763,030	\$ 9,877	\$ 1,514,577
Restricted assets, cash and cash equivalents	166,428	-	-	166,428
	\$ 908,098	\$ 763,030	\$ 9,877	\$ 1,681,005

(Continued)

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Water Fund	Landfill	Nonmajor Enterprise Func Conference Center	Total
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (306,468)	\$ (1,388,509)	\$ (93,468)	\$ (1,788,445)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	877,488	252,839	22,010	1,152,337
(Increase) decrease in:				
Accounts receivable	(69,300)	19,555	(1,143)	(50,888)
Inventory	15,079	-	-	15,079
Due from other funds	(1)	-	-	(1)
Deferred outflows of resources - pension	5,950	20,179	-	26,129
Increase (decrease) in:				
Accounts payable	775,955	(738,276)	3,777	41,456
Accrued liabilities	3,884	17,181	11,916	32,981
Compensated absences	(11,060)	12,727	5,918	7,585
Due to other funds	19,055	759,962	-	779,017
Accrued closure/post-closure costs	-	88,095	-	88,095
Customer deposits payable	21,145	-	-	21,145
Net pension liability	(28,797)	(97,669)	-	(126,466)
Deferred inflows of resources - pension	14,905	50,553	-	65,458
Net cash provided by (used in) operating activities	<u>\$ 1,317,835</u>	<u>\$ (1,003,363)</u>	<u>\$ (50,990)</u>	<u>\$ 263,482</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets purchased by other funds	<u>\$ 7,366,951</u>	<u>\$ 304,292</u>	<u>\$ -</u>	<u>\$ 7,671,243</u>
Total non-cash investing, capital and financing activities	<u>\$ 7,366,951</u>	<u>\$ 304,292</u>	<u>\$ -</u>	<u>\$ 7,671,243</u>

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

MONROE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	<u>Private Purpose Trust Fund Veterans' Memorial</u>	<u>Custodial Funds</u>
ASSETS		
Cash	\$ 4,994	\$ 9,248,455
Taxes receivable	-	4,525,893
Total assets	<u>4,994</u>	<u>13,774,348</u>
LIABILITIES		
Due to others	-	6,686,503
Uncollected taxes	-	4,525,893
Total liabilities	<u>-</u>	<u>11,212,396</u>
NET POSITION		
Restricted for individuals, organizations and other governments	<u>\$ 4,994</u>	<u>\$ 2,561,952</u>

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, 2022

	<u>Private Purpose Trust Fund Veterans' Memorial</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions	\$ 2,251	\$ -
Taxes collected	-	55,266,827
Fines and fees collected	-	3,869,510
Total additions	<u>2,251</u>	<u>59,136,337</u>
DEDUCTIONS		
Taxes disbursed	-	55,237,187
Fines and fees disbursed	-	3,777,661
Veterans' memorial	200	-
Total deductions	<u>200</u>	<u>59,014,848</u>
Change in net position	2,051	121,489
Net position, beginning of the year	<u>2,943</u>	<u>2,440,463</u>
Net position, end of the year	<u><u>\$ 4,994</u></u>	<u><u>\$ 2,561,952</u></u>

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

NOTES TO FINANCIAL STATEMENTS

MONROE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 the State 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 and 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 Board of Health (Discretely Presented Component Unit)

The Monroe County Board of Health (the “Board of Health”) 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 Board of Health, the County is obligated to provide financial support to the Board of Health. The Board of Health has a June 30th year-end. The Board of Health's statements have been prepared separately and can be obtained by writing to:

Monroe County Board of Health
106 Martin Luther King Drive
Forsyth, Georgia 31029

NOTES TO FINANCIAL STATEMENTS

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.

Industrial Development Authority of Monroe County, Georgia (Discretely Presented Component Unit)

The governing board of the Industrial Development Authority of Monroe County, Georgia (the “Industrial Development Authority”) consists of five members appointed by the Monroe County Board of Commissioners. The Industrial Development Authority is responsible for promoting and helping to finance industrial and commercial growth and development within the County. Although the County does not have the authority to approve or modify the budget of the Industrial 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 Industrial 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 financed purchase arrangements between a primary government and its blended component unit are not to be reported as financed purchases 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Monroe County Law Library (Blended Component Unit)

The Monroe County Law Library ("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.

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. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 **American Rescue Plan Act ("ARPA") Fund** is a special revenue fund that accounts for grant funds awarded to the County as part of the State and Local Fiscal Recovery Fund under the American Rescue Plan Act of 2021.

The **2014 Special Purpose Local Option Sales Tax ("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 ("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 **2022 TSPLOST ("2022 TSPLOST") Fund** is a capital projects fund that accounts for TSPLOST 2022 revenues received on behalf of the County, the City of Forsyth and the City of Culloden.

NOTES TO FINANCIAL STATEMENTS

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 proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

The **capital projects funds** account for the acquisition of capital assets and construction of improvement of major capital assets.

The **nonmajor enterprise fund** accounts for activities associated with the Monroe County Conference Center.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 the Local Government Investment Pool ("Georgia Fund 1"). 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, bankers' acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had five items that qualified for reporting in this category. The first two, which relate to the County's defined benefit pension plan, are the differences between expected and actual experience and changes in actuarial assumptions. These differences represent consumptions of resources which are amortized against pension expense. Changes in actuarial assumptions for the County's OPEB plan and the 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.

NOTES TO FINANCIAL STATEMENTS

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 report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has five items that qualified for reporting in this category. *Unavailable revenue*, which arises only under a modified accrual basis of accounting 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 and emergency services and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. One other item relates to the County's defined benefit pension plan two other items relate to the County's OPEB plan, which are reported in the government-wide Statement of Net Position. The County's net difference between projected investment return on pension investments represent consumptions of resources and are amortized against pension expense, resulting in recognition as a deferred inflow of resources. Changes in actuarial assumptions for the County's OPEB plan and the difference between expected and actual experience are also deferred inflows, which are amortized against OPEB expense over the remaining service lives of plan members.

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.

NOTES TO FINANCIAL STATEMENTS

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:

<u>Asset Category</u>	<u>Years</u>
Buildings	25 – 50
Building improvements	5 – 50
Land improvements	15 – 30
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.

NOTES TO FINANCIAL STATEMENTS

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 deferred outflows/inflows 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:

- **Non-spendable** – Fund balances are reported as non-spendable 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.

NOTES TO FINANCIAL STATEMENTS

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

The Monroe County Board of Commissioners authorizes industries which create new jobs in the County to invest in new facilities. Abatements of real and personal property taxes are provided to companies based on a criteria calculation which includes targeted industries, capital investment and employment. The abatement may reduce the amount of property taxes paid over seven to twenty-five years. The agreements may contain claw back provisions which would result in the repayment of the annual tax abatement for each year that the County fails to meet its job or investment commitment. For the year ended December 31, 2022, the County abated property taxes totaling \$568,703.

NOTES TO FINANCIAL STATEMENTS

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:

Financed purchases	\$ (6,392,437)
Compensated absences	(2,268,223)
Bonds payable	(34,267,680)
Accrued interest payable	<u>(57,634)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (42,985,974)</u>

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	\$ 4,462,395
Depreciation expense	<u>(4,488,953)</u>
Net adjustment to reduce <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u>\$ (26,558)</u>

NOTES TO FINANCIAL STATEMENTS

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, financed purchases) 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:

Bond principal repayments	\$ 3,515,000
Financed purchase principal repayments	1,137,808
Amortization of premium	<u>510,687</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 5,163,495</u></u>

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	\$ 94,454
Accrued interest	(5,522)
Net pension liability and related deferred outflow/inflow of resources	626,950
Total OPEB liability and related deferred outflow/inflow of resources	<u>(279,907)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 435,975</u></u>

NOTES TO FINANCIAL STATEMENTS

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.

Deficit Fund Balances

For the year ended December 31, 2022, the following funds had deficit fund balances:

Capital Projects Fund	\$	119,755
ARPA Fund		3,915,329

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2022, are summarized as follows:

Balances per Statement of Net Position:

Cash and cash equivalents - Primary Government	\$ 32,965,265
Cash and cash equivalents - Development Authority	2,709,130
Cash and cash equivalents - Industrial Development Authority	1,702,860
Investments - Primary Government	10,896,404
Restricted assets:	
Primary Government - cash and cash equivalents	14,241,219

Balances per Statement of Fiduciary Net Position:

Cash - Custodial funds	9,248,455
Cash - Private purpose trust funds	4,994
	<u>\$ 71,768,327</u>

Balances by type:

Cash deposited with financial institutions	\$ 60,871,923
Certificates of deposit	66,312
Georgia Fund 1	10,830,092
	<u>\$ 71,768,327</u>

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, 2022, the County's investments in the Georgia Fund 1 were rated AA+ 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, 2022, the County's investments, categorized by credit risk and interest rate risk, were as follows:

Investment Type	Maturities	Fair Value
Certificates of deposit	14 months weighted-average	\$ 66,312
Georgia Fund 1	23-day weighted-average	10,830,092
		<u>\$ 10,896,404</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

The County has the following recurring fair value measurements as of December 31, 2022:

<u>Investment Type</u>	<u>Fair Value</u>
Investments not subject to level disclosure:	
Certificates of deposit	\$ 66,312
Georgia Fund 1	10,830,092
Total investments	<u>\$ 10,896,404</u>

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, 2022, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at December 31, 2022 consist of the following:

	General Fund	Public Facilities Authority	2020 SPLOST Fund	2022 TSPLOST Fund	ARPA Fund	Nonmajor Governmental Funds
Receivables:						
Taxes	\$ 4,055,096	\$ -	\$ 646,902	\$ -	\$ -	\$ -
Accounts	1,591,750	-	-	579,811	4,353,774	10,998
Due from other governments	-	497,252	-	-	-	56,735
Gross receivables	5,646,846	497,252	646,902	579,811	4,353,774	67,733
Less allowance	(942,843)	-	-	-	-	-
Net receivables	<u>\$ 4,704,003</u>	<u>\$ 497,252</u>	<u>\$ 646,902</u>	<u>\$ 579,811</u>	<u>\$ 4,353,774</u>	<u>\$ 67,733</u>

	Water Fund	Landfill Fund	Nonmajor Enterprise Fund	Total
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ 4,701,998
Accounts	633,524	64,975	1,470	7,236,302
Due from other governments	-	-	-	553,987
Gross receivables	633,524	64,975	1,470	12,492,287
Less allowance	(283,980)	(22,231)	-	(1,249,054)
Net receivables	<u>\$ 349,544</u>	<u>\$ 42,744</u>	<u>\$ 1,470</u>	<u>\$ 11,243,233</u>

Property taxes were levied on September 8, 2022. Bills are payable on or before December 1, 2022, 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 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2022, and collected by December 31, 2022, are recognized as revenues in the year ended December 31, 2022. Net receivables estimated to be collected subsequent to December 31, 2022, are deferred as of December 31, 2022, 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 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,182,043	\$ 37,800	\$ -	\$ -	\$ 1,219,843
Construction in progress	1,232,932	244,050	-	(803,520)	673,462
Total	<u>2,414,975</u>	<u>281,850</u>	<u>-</u>	<u>(803,520)</u>	<u>1,893,305</u>
Capital assets, being depreciated:					
Buildings	20,742,985	9,334	-	803,520	21,555,839
Building improvements	2,298,224	-	-	-	2,298,224
Land improvements	2,409,480	-	-	-	2,409,480
Infrastructure	101,270,008	65,082	-	-	101,335,090
Intangibles	117,012	-	-	-	117,012
Machinery and equipment	26,527,604	4,106,129	(1,283,425)	-	29,350,308
Total	<u>153,365,313</u>	<u>4,180,545</u>	<u>(1,283,425)</u>	<u>803,520</u>	<u>157,065,953</u>
Less accumulated depreciation for:					
Buildings	6,035,370	378,337	-	-	6,413,707
Building improvements	448,716	55,605	-	-	504,321
Land improvements	1,886,689	40,279	-	-	1,926,968
Infrastructure	59,597,453	2,011,969	-	-	61,609,422
Intangibles	88,607	4,272	-	-	92,879
Machinery and equipment	13,654,225	1,998,491	(948,337)	-	14,704,379
Total	<u>81,711,060</u>	<u>4,488,953</u>	<u>(948,337)</u>	<u>-</u>	<u>85,251,676</u>
Total capital assets, being depreciated, net	<u>71,654,253</u>	<u>(308,408)</u>	<u>(335,088)</u>	<u>803,520</u>	<u>71,814,277</u>
Governmental activities capital assets, net	<u>\$ 74,069,228</u>	<u>\$ (26,558)</u>	<u>\$ (335,088)</u>	<u>\$ -</u>	<u>\$ 73,707,582</u>

NOTES TO FINANCIAL STATEMENTS

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	9,728,603	9,647,834	-	(9,700,356)	9,676,081
Total	<u>10,091,337</u>	<u>9,647,834</u>	<u>-</u>	<u>(9,700,356)</u>	<u>10,038,815</u>
Capital assets, being depreciated:					
Land (landfill)	4,496,440	-	-	4,429,220	8,925,660
Buildings	1,084,905	-	-	-	1,084,905
Improvements	1,121,479	-	-	-	1,121,479
Infrastructure	48,647,869	-	-	5,271,136	53,919,005
Machinery and equipment	4,422,553	522,846	-	-	4,945,399
Total	<u>59,773,246</u>	<u>522,846</u>	<u>-</u>	<u>9,700,356</u>	<u>69,996,448</u>
Less accumulated depreciation for:					
Land (landfill)	4,225,465	102,320	-	-	4,327,785
Buildings	365,598	24,717	-	-	390,315
Improvements	1,098,648	1,450	-	-	1,100,098
Infrastructure	11,437,770	848,607	-	-	12,286,377
Machinery and equipment	2,686,767	175,243	-	-	2,862,010
Total	<u>19,814,248</u>	<u>1,152,337</u>	<u>-</u>	<u>-</u>	<u>20,966,585</u>
Total capital assets, being depreciated, net	<u>39,958,998</u>	<u>(629,491)</u>	<u>-</u>	<u>9,700,356</u>	<u>49,029,863</u>
Business-type activities capital assets, net	<u>\$ 50,050,335</u>	<u>\$ 9,018,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,068,678</u>

NOTES TO FINANCIAL STATEMENTS

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	\$	207,686
Judicial		2,046
Public safety		1,830,751
Public works		2,247,165
Health and welfare		38,410
Culture and recreation		158,624
Housing and development		4,271
Total depreciation expense - governmental activities	\$	<u>4,488,953</u>
Business-type activities:		
Water Fund	\$	877,488
Landfill Fund		252,839
Conference Center Fund		22,010
Total depreciation expense - business-type activities	\$	<u>1,152,337</u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,896,751	\$ -	\$ -	\$ -	\$ 1,896,751
Total	<u>1,896,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,896,751</u>
Capital assets, being depreciated:					
Improvements	774,742	27,675	-	-	802,417
Total	<u>774,742</u>	<u>27,675</u>	<u>-</u>	<u>-</u>	<u>802,417</u>
Less accumulated depreciation for:					
Improvements	267,115	40,484	-	-	307,599
Total	<u>267,115</u>	<u>40,484</u>	<u>-</u>	<u>-</u>	<u>307,599</u>
Total capital assets, being depreciated, net	<u>507,627</u>	<u>(12,809)</u>	<u>-</u>	<u>-</u>	<u>494,818</u>
Development Authority capital assets, net	<u>\$ 2,404,378</u>	<u>\$ (12,809)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,391,569</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Industrial Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 38,300	\$ -	\$ -	\$ 38,300
Total	-	38,300	-	-	38,300
Industrial Development Authority capital assets, net	\$ -	\$ 38,300	\$ -	\$ -	\$ 38,300

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 34,920,000	\$ -	\$ (3,515,000)	\$ 31,405,000	\$ 4,210,000
Plus unamortized premium	3,373,367	-	(510,687)	2,862,680	-
General obligation bonds, net	38,293,367	-	(4,025,687)	34,267,680	4,210,000
Financed purchases	7,530,245	-	(1,137,808)	6,392,437	1,163,908
Compensated absences	2,362,677	461,390	(555,844)	2,268,223	555,844
Net pension liability	5,399,030	3,422,784	(5,696,051)	3,125,763	-
Total OPEB liability	3,407,062	496,274	(68,581)	3,834,755	-
Governmental activities long-term liabilities	\$ 56,992,381	\$ 4,380,448	\$ (11,483,971)	\$ 49,888,858	\$ 5,929,752
Business-type activities:					
Notes payable	\$ 961,777	\$ -	\$ (55,050)	\$ 906,727	\$ 56,192
Landfill closure and post-closure costs	1,967,981	88,095	-	2,056,076	-
Compensated absences	261,920	75,195	(67,610)	269,505	29,083
Net pension liability	300,358	190,416	(316,882)	173,892	-
Business-type activities long-term liabilities	\$ 3,492,036	\$ 353,706	\$ (439,542)	\$ 3,406,200	\$ 85,275

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. 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, 2022 was \$5,060,000.

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; pay the cost of all or a portion of the following capital outlay projects for the City of Forsyth, Georgia: 1) water and sewer upgrades, and 2) public safety; and 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 and recreation improvements, and 4) water and utilities improvements. The outstanding balance of the 2019 revenue bonds as of December 31, 2022 was \$8,915,000.

During the year ended December 31, 2020, the Public Facilities Authority issued Revenue Bonds, Series 2020 in the amount of \$17,430,000. The bonds bear interest of 4.0 to 5.0% with final maturity in 2040. Proceeds of the bonds will be used for the purpose of financing certain water projects and a new governmental building to finance purchase to the County. The outstanding balance of the 2020 revenue bonds as of December 31, 2022 was \$17,430,000.

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 contract to make payments to the Public Facilities Authority at times and in amounts sufficient to enable the Public Facilities Authority to pay the principal of and interest on the bonds is absolute and unconditional, is secured by a pledge of the County's full faith and credit and taxing powers and will not expire so long as any of the bonds remain outstanding and unpaid. These bonds are, therefore, reflected as general obligation bonds of the County within these financial statements. The County intends to make its payments under the contract from its portion of the revenues generated by a 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued). The Series 2019 and Series 2020 Bonds are limited obligations of the Public Facilities 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, 2022:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 4,210,000	\$ 1,210,540	\$ 5,420,540
2024	4,365,000	1,050,498	5,415,498
2025	4,540,000	880,308	5,420,308
2026	1,495,000	705,453	2,200,453
2027	1,560,000	641,803	2,201,803
2028 – 2032	4,770,000	2,535,733	7,305,733
2033 – 2037	4,720,000	1,636,000	6,356,000
2038 – 2042	5,745,000	592,500	6,337,500
	<u>\$ 31,405,000</u>	<u>\$ 9,252,835</u>	<u>\$ 40,657,835</u>

Financed Purchases. During the current year, the County entered into a financed purchase agreement for financing the acquisition of various equipment. The financed purchase agreement qualifies as a financed purchase for accounting purposes (title transfers at end of financed purchase term) and, therefore, have been recorded at the present values of the future minimum financed purchase payments as of the date of inception.

The County's total financed purchase debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 1,163,908	\$ 133,270	\$ 1,297,178
2024	1,067,386	107,542	1,174,928
2025	784,128	85,905	870,033
2026	533,291	72,596	605,887
2027	544,757	61,130	605,887
2028 – 2031	2,298,967	124,863	2,423,830
	<u>\$ 6,392,437</u>	<u>\$ 585,306</u>	<u>\$ 6,977,743</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable. The Water Fund incurred debt of \$1,216,860 to the Georgia Environmental Finance Authority ("GEFA") 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, 2022 is \$906,727.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 56,192	\$ 17,886	\$ 74,078
2024	57,344	16,734	74,078
2025	58,519	15,559	74,078
2026	59,718	14,360	74,078
2027	60,941	13,137	74,078
2028 – 2032	323,958	46,433	370,391
2033 – 2037	290,055	12,433	302,488
	<u>\$ 906,727</u>	<u>\$ 136,542</u>	<u>\$ 1,043,269</u>

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 \$2,056,076 at December 31, 2022, represents the cumulative amount reported to date based on the use of 33% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,215,378 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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.

The original issuance amounts of bonds issued by the Development Authority as of December 31, 2022, for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2022 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	17,123
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 Company	June 13, 2019	55,000,000
		\$ 813,402,123

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022 is as follows:

Due to/from other funds:

Payable Funds	Receivable Funds				Total
	General Fund	2020 SPLOST Fund	Water Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 21,164	\$ -	\$ 21,164
ARPA Fund	3,929,046	353,871	-	-	4,282,917
2020 SPLOST Fund	430,011	-	-	-	430,011
Water Fund	220,204	-	-	-	220,204
Landfill Fund	760,000	-	-	-	760,000
Nonmajor Governmental Funds	16,559	-	-	8,422	24,981
Total	<u>\$ 5,355,820</u>	<u>\$ 353,871</u>	<u>\$ 21,164</u>	<u>\$ 8,422</u>	<u>\$ 5,739,277</u>

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

Interfund transfers:

Transfers In	Transfers Out				Total
	General Fund	Public Facilities Authority	ARPA Fund	2020 SPLOST Fund	
General Fund	\$ -	\$ 233,696	\$ 3,324,114	\$ -	\$ 3,557,810
Public Facilities Authority	1,659,665	-	-	2,795,213	4,454,878
2022 TSPLOST Fund	667,732	-	-	-	667,732
2020 SPLOST Fund	215,874	1,215,716	3,965,514	-	5,397,104
Water Fund	8,276	-	-	-	8,276
Landfill Fund	3,822,646	-	-	-	3,822,646
Nonmajor Governmental Funds	1,451,576	-	-	-	1,451,576
Nonmajor Enterprise Fund	53,413	-	-	-	53,413
Total	<u>\$ 7,879,182</u>	<u>\$ 1,449,412</u>	<u>\$ 7,289,628</u>	<u>\$ 2,795,213</u>	<u>\$ 19,413,435</u>

Transfers are used to: 1) move revenues from the fund that the 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 and ARPA approved projects.

NOTES TO FINANCIAL STATEMENTS

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, 2022, the County paid \$30,313 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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Plan Membership

As of January 1, 2021, pension plan membership consisted of the following:

Retirees, beneficiaries and disables receiving benefits	119
Terminated plan participants entitled to but not receiving benefits	147
Active employees participating in the Plan	<u>128</u>
Total number of Plan participants	<u>394</u>

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, 2022, the County's contribution rate was 22.9% of annual payroll. County contributions to the Plan were \$1,391,063 for the year ended December 31, 2022.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2021.

Actuarial Assumptions. The total pension liability in the January 1, 2021 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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Mortality rates were based on the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2021.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study through February 2019.

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, 2021 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%
Mid Cap	5%	2.5 – 10%
Small Cap	5%	2.5 – 10%
REIT	5%	2.5 – 10%
International	15%	10 – 20%
Multi Cap	5%	2.5 – 10%
Global Allocation	5%	2.5 – 10%
	100%	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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.

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, 2022 (measurement date of December 31, 2021), were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 36,248,568	\$ 30,549,180	\$ 5,699,388
Changes for the year:			
Service cost	415,603	-	415,603
Interest	2,464,699	-	2,464,699
Differences between expected and actual experience	445,691	-	445,691
Assumption changes	54,579	-	54,579
Contributions - employer	-	1,391,063	(1,391,063)
Net investment income	-	4,621,870	(4,621,870)
Benefit payments, including refunds of employee contributions	(2,077,181)	(2,077,181)	-
Administrative expenses	-	(47,518)	47,518
Other changes	-	(185,110)	185,110
Net changes	1,303,391	3,703,124	(2,399,733)
Ending balance	\$ 37,551,959	\$ 34,252,304	\$ 3,299,655

The required Schedule of Changes in the County's Net Pension Liability and related ratios immediately following the notes to the financial statements present multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

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:

	<u>1.00% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1.00% Increase (8.00%)</u>
County's net pension liability	\$ 8,011,079	\$ 3,299,655	\$ (614,620)

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, 2021 measurement date, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2022, the County recognized pension expense of \$729,234. At December 31, 2022, the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,521,424
Differences between expected and actual experience	490,512	-
Changes in actuarial assumptions	48,815	-
Total	<u>\$ 539,327</u>	<u>\$ 3,521,424</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Pension Expense, 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:

<u>Year Ending December 31,</u>	
2023	\$ (523,853)
2024	(1,169,839)
2025	(803,973)
2026	(484,432)
Total	<u>\$ (2,982,097)</u>

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.

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, 2022:

Inactive plan members or beneficiaries currently receiving benefits	14
Active plan members	<u>204</u>
	<u>218</u>

NOTES TO FINANCIAL STATEMENTS

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

Primary Government (Continued)

Contributions

The Monroe County Board of Commissioners has elected to fund the OPEB plan on a “pay as you go” basis. The County contributed \$68,581 to the OPEB Plan in fiscal year December 31, 2022. 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, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	3.50%
Salary Increases:	3.50% to 5.50%
Discount Rate:	2.06%
Healthcare Cost Trend Rate:	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Participation Rate:	75.00% for members and 20% for spouse coverage

Mortality rates were based on Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2022.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the January 1, 2022 valuation were based on the pension valuation prepared by GEBCorp as of January 1, 2022.

Discount rate

The discount rate used to measure the total OPEB liability was 2.06%. 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 determined by the Bond Buyer 20-Bond GO Index Rate as of the December 31, 2021 measurement date.

NOTES TO FINANCIAL STATEMENTS

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

Primary Government (Continued)

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, 2022 (measurement date of January 1, 2022) were as follows:

	Total OPEB Liability
Beginning balance	\$ 3,407,062
Changes for the year:	
Service cost	215,074
Interest	76,066
Differences between expected and actual experience	24,117
Assumption changes	181,017
Benefit payments	(68,581)
Net changes	427,693
Ending balance	\$ 3,834,755

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.

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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1.00% Decrease (1.06%)	Current Discount Rate (2.06%)	1.00% Increase (3.06%)
Total OPEB liability	\$ 4,217,544	\$ 3,834,755	\$ 3,492,026

NOTES TO FINANCIAL STATEMENTS

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

Primary Government (Continued)

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:

	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB liability	\$ 3,411,445	\$ 3,834,755	\$ 4,343,404

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, 2021 measurement date, and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$344,443. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,743	\$ 437,185
Other changes in assumptions	786,921	88,834
County contributions subsequent to the measurement date	68,581	-
Total	<u>\$ 885,245</u>	<u>\$ 526,019</u>

NOTES TO FINANCIAL STATEMENTS

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

Primary Government (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

County contributions subsequent to the measurement date of \$68,581 are recorded as a deferred outflow of resources and will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2023. 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,	
2023	\$ 53,303
2024	53,303
2025	43,587
2026	54,113
2027	60,887
Thereafter	25,452
Total	<u>\$ 290,645</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

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, 2022 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.

Required disclosure representing the changes in the balances of claims liabilities during the years ended December 31, 2022 and 2021, respectively, are as follows:

	December 31,	
	2022	2021
Unpaid claims, beginning of fiscal year	\$ 183,430	\$ 474,550
Incurred claims	1,941,605	3,483,404
Claims Paid	(1,288,248)	(3,774,524)
Unpaid claims, end of fiscal year	<u>\$ 836,787</u>	<u>\$ 183,430</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. CONTINGENCIES AND COMMITMENTS (CONTINUED)

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at December 31, 2022, the County has contractual commitments on uncompleted construction contracts of approximately \$3,659,592.

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,

	2022	2021	2020
Total pension liability			
Service cost	\$ 415,603	\$ 444,721	\$ 415,910
Interest on total pension liability	2,464,699	2,342,074	2,178,827
Differences between expected and actual experience	445,691	756,843	(6,604)
Changes of assumptions	54,579	53,298	1,254,074
Benefit payments, including refunds of employee contributions	(2,077,181)	(1,613,124)	(1,407,095)
Net change in total pension liability	1,303,391	1,983,812	2,435,112
Total pension liability - beginning	36,248,568	34,264,756	31,829,644
Total pension liability - ending (a)	\$ 37,551,959	\$ 36,248,568	\$ 34,264,756
Plan fiduciary net position			
Contributions - employer	\$ 1,391,063	\$ 1,427,623	\$ 1,169,682
Net investment income	4,621,870	3,570,732	4,722,279
Benefit payments, including refunds of employee contributions	(2,077,181)	(1,613,124)	(1,407,095)
Administrative expenses	(47,518)	(48,636)	(49,203)
Other	(185,110)	(155,262)	(178,082)
Net change in fiduciary net position	3,703,124	3,181,333	4,257,581
Plan fiduciary net position - beginning	30,549,180	27,367,847	23,110,266
Plan fiduciary net position - ending (b)	\$ 34,252,304	\$ 30,549,180	\$ 27,367,847
County's net pension liability - ending (a) - (b)	\$ 3,299,655	\$ 5,699,388	\$ 6,896,909
Plan fiduciary net position as a percentage of total pension liability	91.21%	84.28%	79.87%
Covered payroll	\$ 6,221,383	\$ 6,541,710	\$ 6,495,834
County's net pension liability as a percentage of covered payroll	53.04%	87.12%	106.17%

Notes to the Schedule:

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

2019	2018	2017	2016	2015
\$ 373,948 2,048,004	\$ 390,140 2,006,388	\$ 354,503 1,855,132	\$ 357,191 1,742,195	\$ 377,611 1,651,403
(232,389) 2,002,140	(717,238) 54,599	1,010,598 807,670	165,198 779,231	- -
(1,220,787)	(1,098,959)	(1,078,414)	(998,766)	(818,466)
2,970,916	634,930	2,949,489	2,045,049	1,210,548
28,858,728	28,223,798	25,274,309	23,229,260	22,018,712
<u>\$ 31,829,644</u>	<u>\$ 28,858,728</u>	<u>\$ 28,223,798</u>	<u>\$ 25,274,309</u>	<u>\$ 23,229,260</u>
\$ 873,439 (1,097,068)	1,167,800 3,338,566	\$ 1,215,850 1,407,318	\$ 1,122,951 132,823	\$ 1,147,758 1,330,402
(1,220,787) (38,858) (154,115)	(1,098,959) (36,561) (214,619)	(1,078,414) (40,319) (181,945)	(962,666) (39,509) (196,422)	(788,883) (37,988) (201,212)
(1,637,389)	3,156,227	1,322,490	57,177	1,450,077
24,747,655	21,591,428	20,268,938	20,211,761	18,761,684
<u>\$ 23,110,266</u>	<u>\$ 24,747,655</u>	<u>\$ 21,591,428</u>	<u>\$ 20,268,938</u>	<u>\$ 20,211,761</u>
<u>\$ 8,719,378</u>	<u>\$ 4,111,073</u>	<u>\$ 6,632,370</u>	<u>\$ 5,005,371</u>	<u>\$ 3,017,499</u>
72.61%	85.75%	76.50%	80.20%	87.01%
\$ 6,920,209	\$ 6,983,538	\$ 7,226,818	\$ 7,516,338	\$ 7,552,981
126.00%	58.87%	91.77%	66.59%	39.95%

MONROE COUNTY, GEORGIA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,391,063	\$ 1,427,623	\$ 1,169,682
Contributions in relation to the actuarially determined contribution	<u>1,391,063</u>	<u>1,427,623</u>	<u>1,169,682</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,076,161	\$ 6,221,383	\$ 6,541,710
Contributions as a percentage of covered payroll	22.89%	22.95%	17.88%

Notes to the Schedule:

Valuation Date	January 1, 2021
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	2.50% - 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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,167,800	\$ 1,215,850	\$ 1,122,951	\$ 1,147,758	\$ 1,399,777
<u>1,167,800</u>	<u>1,215,850</u>	<u>1,122,951</u>	<u>1,147,758</u>	<u>1,399,777</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,920,209	\$ 6,983,538	\$ 7,226,818	\$ 7,516,338	\$ 7,552,981
16.88%	17.41%	15.54%	15.27%	18.53%

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,

	2022	2021	2020
Total OPEB liability			
Service cost	\$ 215,074	\$ 182,728	\$ 139,957
Interest on total OPEB liability	76,066	85,701	110,201
Differences between expected and actual experience	24,117	(1,125)	(737,817)
Changes of assumptions	181,017	217,675	779,534
Benefit payments, including refunds of employee contributions	<u>(68,581)</u>	<u>(45,609)</u>	<u>(23,772)</u>
Net change in total OPEB liability	427,693	439,370	268,103
Total OPEB liability - beginning	3,407,062	2,967,692	2,699,589
Total OPEB liability - ending	<u>\$ 3,834,755</u>	<u>\$ 3,407,062</u>	<u>\$ 2,967,692</u>
 Covered payroll	 \$ 8,733,584	 \$ 9,763,256	 \$ 9,763,256
 County's total OPEB liability as a percentage of covered payroll	 43.91%	 34.90%	 30.40%

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 discount rate changed from 4.10% at the December 31, 2018 measurement date to 2.74% at the December 31, 2019 measurement date.

The discount rate changed from 2.74% at the December 31, 2019 measurement date to 2.12% at the December 31, 2020 measurement date.

The discount rate changed from 2.12% at the December 31, 2020 measurement date to 2.06% at the December 31, 2021 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.

2019	2018
\$ 154,531	\$ 140,748
92,691	90,747
(32,043)	28,042
(192,734)	96,274
<u>(34,447)</u>	<u>(89,021)</u>
(12,002)	266,790
<u>2,711,591</u>	<u>2,444,801</u>
<u>\$ 2,699,589</u>	<u>\$ 2,711,591</u>
\$ 9,158,940	\$ 9,158,940
29.47%	29.61%

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.

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

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.

Child Abuse Reporting Enforcement (“C.A.R.E.”) Cottage Fund – To account for the operation of the Monroe County C.A.R.E. 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.

Community Development Block Grant (“CDBG”) Water Grant Fund – To account for the receipt and expenditures of monies received from CDBG for improvements to the County’s water system.

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

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.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – To account for the acquisition of capital assets and construction or improvement of major capital projects.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

Special Revenue Funds						
	Library	Forfeited	Law Library	Jail Fines	E-911	Drug Education
ASSETS						
Cash	\$ 36,553	\$ 1,197,503	\$ 7,516	\$ 238,656	\$ 12,624	\$ 20,301
Investments	59,951	-	6,361	-	-	-
Accounts receivable	-	-	-	-	6,018	4,970
Due from other governments	-	-	-	-	46,335	-
Due from other funds	-	-	-	-	8,422	-
Total assets	<u>\$ 96,504</u>	<u>\$ 1,197,503</u>	<u>\$ 13,877</u>	<u>\$ 238,656</u>	<u>\$ 73,399</u>	<u>\$ 25,271</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 15,066	\$ -	\$ -	\$ 4,415	\$ -
Accrued liabilities	-	-	-	-	33,951	2,597
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	15,839	-	7,906
Total liabilities	<u>-</u>	<u>15,066</u>	<u>-</u>	<u>15,839</u>	<u>38,366</u>	<u>10,503</u>
FUND BALANCES (DEFICIT)						
Restricted for:						
Judicial	-	-	13,877	-	-	-
Public safety	-	1,182,437	-	222,817	35,033	14,768
Capital projects	-	-	-	-	-	-
Assigned for:						
Culture and recreation	96,504	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>96,504</u>	<u>1,182,437</u>	<u>13,877</u>	<u>222,817</u>	<u>35,033</u>	<u>14,768</u>
Total liabilities and fund balances (deficit)	<u>\$ 96,504</u>	<u>\$ 1,197,503</u>	<u>\$ 13,877</u>	<u>\$ 238,656</u>	<u>\$ 73,399</u>	<u>\$ 25,271</u>

Special Revenue Funds							
C.A.R.E. Cottage	Federal Forfeited	CDBG Water Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Capital Projects	Total Nonmajor Governmental Funds
\$ 391,894	\$ 184,957	\$ 10	\$ 12,809	\$ 3,126	\$ 4,429	\$ -	\$ 2,110,378
-	-	-	-	-	-	-	66,312
-	-	-	-	-	10	-	10,998
10,400	-	-	-	-	-	-	56,735
-	-	-	-	-	-	-	8,422
<u>\$ 402,294</u>	<u>\$ 184,957</u>	<u>\$ 10</u>	<u>\$ 12,809</u>	<u>\$ 3,126</u>	<u>\$ 4,439</u>	<u>\$ -</u>	<u>\$ 2,252,845</u>
\$ 13,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,755	\$ 152,325
5,059	-	-	-	-	-	-	41,607
32,620	-	-	-	-	-	-	32,620
1,236	-	-	-	-	-	-	24,981
<u>52,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,755</u>	<u>251,533</u>
350,290	-	-	-	-	-	-	364,167
-	184,957	-	12,809	3,126	4,439	-	1,660,386
-	-	10	-	-	-	-	10
-	-	-	-	-	-	-	96,504
-	-	-	-	-	-	(119,755)	(119,755)
<u>350,290</u>	<u>184,957</u>	<u>10</u>	<u>12,809</u>	<u>3,126</u>	<u>4,439</u>	<u>(119,755)</u>	<u>2,001,312</u>
<u>\$ 402,294</u>	<u>\$ 184,957</u>	<u>\$ 10</u>	<u>\$ 12,809</u>	<u>\$ 3,126</u>	<u>\$ 4,439</u>	<u>\$ -</u>	<u>\$ 2,252,845</u>

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds					
	Library	Forfeited	Law Library	Jail Fines	E-911	Drug Education
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 112,252	\$ -
Fines and forfeitures	5,440	466,408	26,368	270,160	-	43,845
Charges for services	7,509	-	-	-	516,854	-
Interest income	425	107	1	26	3	-
Contributions	218	-	-	-	-	-
Miscellaneous	-	-	-	-	64,428	-
Total revenues	13,592	466,515	26,369	270,186	693,537	43,845
Expenditures:						
Current:						
Judicial	-	-	21,740	-	-	-
Public safety	-	89,541	-	373,267	1,320,352	65,313
Public works	-	-	-	-	-	-
Culture and recreation	11,073	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	11,073	89,541	21,740	373,267	1,320,352	65,313
Excess (deficiency) of revenues over (under) expenditures	2,519	376,974	4,629	(103,081)	(626,815)	(21,468)
Other financing sources:						
Transfers in	-	-	-	-	578,980	30,273
Total other financing sources	-	-	-	-	578,980	30,273
Net change in fund balances	2,519	376,974	4,629	(103,081)	(47,835)	8,805
Fund balances (deficit), beginning of year	93,985	805,463	9,248	325,898	82,868	5,963
Fund balances (deficit), end of year	\$ 96,504	\$ 1,182,437	\$ 13,877	\$ 222,817	\$ 35,033	\$ 14,768

Special Revenue Funds							
C.A.R.E. Cottage	Federal Forfeited	CDBG Water Grant	EMA Grant	Sheriff's Safe Driving	Supervisory Fees	Capital Projects	Total Nonmajor Governmental Funds
\$ 140,112	\$ -	\$ 5,625	\$ -	\$ -	\$ -	\$ -	\$ 257,989
122,831	157,461	-	-	-	160	-	1,092,673
-	-	-	-	-	-	-	524,363
43	4	-	-	-	-	-	609
-	-	-	-	2,252	-	-	2,470
18,588	-	-	-	-	-	10,114	93,130
281,574	157,465	5,625	-	2,252	160	10,114	1,971,234
257,972	-	-	-	-	-	-	279,712
-	14,995	-	-	3,548	397	-	1,867,413
-	-	7,039	-	-	-	-	7,039
-	-	-	-	-	-	-	11,073
-	-	-	-	-	-	790,714	790,714
257,972	14,995	7,039	-	3,548	397	790,714	2,955,951
23,602	142,470	(1,414)	-	(1,296)	(237)	(780,600)	(984,717)
-	-	1,414	-	3,217	-	837,692	1,451,576
-	-	1,414	-	3,217	-	837,692	1,451,576
23,602	142,470	-	-	1,921	(237)	57,092	466,859
326,688	42,487	10	12,809	1,205	4,676	(176,847)	1,534,453
\$ 350,290	\$ 184,957	\$ 10	\$ 12,809	\$ 3,126	\$ 4,439	\$ (119,755)	\$ 2,001,312

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE FOR THE YEAR ENDED DECEMBER 31, 2022

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, Streets and Bridges	\$ 7,000,000	\$ 19,511,690	\$ 967,931	\$ 20,479,621
Construction of Water and Sewer Lines	7,000,000	5,956,488	-	5,956,488
Patrol Vehicles	800,000	983,018	-	983,018
Emergency Services Equipment	1,500,000	1,676,059	-	1,676,059
Recreation Facilities and Equipment	2,500,000	592,994	244,463	837,457
Hospital Capital Improvements	1,000,000	1,270,886	-	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	1,062,917	-	1,062,917
Civic Center Facilities and Equipment	1,200,000	1,527,036	-	1,527,036
City of Forsyth	4,600,000	4,191,708	-	4,191,708
City of Culloden	550,000	334,558	-	334,558
Total	<u>\$ 30,650,000</u>	<u>\$ 40,334,428</u>	<u>\$ 1,212,394</u>	<u>\$ 41,546,822</u>

Reconciliation of 2014 SPLOST schedule to financial statements:

Total of 2014 SPLOST Schedule of Expenditures	<u>\$ 1,212,394</u>
Expenditures - 2014 SPLOST Fund	<u>\$ 1,212,394</u>
	<u>\$ 1,212,394</u>

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, 2022

Project Description	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Internet Capital Outlay Projects	\$ 700,000	\$ -	\$ -	\$ -
Future Land Acquisition and Infrastructure	1,865,075	730,410	-	730,410
Patrol Vehicles	746,030	-	-	-
Emergency Services Equipment	2,524,751	2,177,062	147,670	2,324,732
Recreation Facilities and Equipment	500,000	154,649	447,942	602,591
Roads, Streets and Bridges	5,895,227	6,449,147	2,795,213	9,244,360
Construction of Water and Sewer Lines	6,827,765	12,953,518	7,799,520	20,753,038
Road Department Heavy Equipment	1,119,045	630,292	-	630,292
Government Building	850,986	3,140,526	-	3,140,526
Conference Center	186,507	-	-	-
City of Forsyth	3,827,091	1,656,823	1,130,672	2,787,495
City of Culloden	457,725	124,865	59,355	184,220
Total	<u>\$ 25,500,202</u>	<u>\$ 28,017,292</u>	<u>\$ 12,380,372</u>	<u>\$ 40,397,664</u>

Reconciliation of 2020 SPLOST schedule to financial statements:

Total of 2020 SPLOST Schedule of Expenditures	<u>\$ 12,380,372</u>
Expenditures - 2020 SPLOST Fund	\$ 9,585,159
Transfers out - 2020 SPLOST Fund	<u>2,795,213</u>
	<u>\$ 12,380,372</u>

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 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2022 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Roads, streets and bridges	\$ 14,143,558	\$ -	\$ 77,515	\$ 77,515
City of Forsyth	2,551,394	-	742,288	742,288
City of Culloden	305,065	-	-	-
Total	<u>\$ 17,000,017</u>	<u>\$ -</u>	<u>\$ 819,803</u>	<u>\$ 819,803</u>

MONROE COUNTY, GEORGIA

CUSTODIAL 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 STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS DECEMBER 31, 2022

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	\$ 7,005,777	\$ 117,997	\$ 332,852	\$ 26,753	\$ 1,765,076	\$ 9,248,455
Taxes receivable	<u>4,525,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,525,893</u>
Total assets	<u>\$ 11,531,670</u>	<u>\$ 117,997</u>	<u>\$ 332,852</u>	<u>\$ 26,753</u>	<u>\$ 1,765,076</u>	<u>\$ 13,774,348</u>
LIABILITIES						
Due to others	\$ 6,530,319	\$ 53,686	\$ 81,344	\$ 5,281	\$ 15,873	\$ 6,686,503
Uncollected taxes	<u>4,525,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,525,893</u>
Total liabilities	<u>\$ 11,056,212</u>	<u>\$ 53,686</u>	<u>\$ 81,344</u>	<u>\$ 5,281</u>	<u>\$ 15,873</u>	<u>\$ 11,212,396</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 475,458</u>	<u>\$ 64,311</u>	<u>\$ 251,508</u>	<u>\$ 21,472</u>	<u>\$ 1,749,203</u>	<u>\$ 2,561,952</u>

MONROE COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ADDITIONS						
Taxes collected	\$ 55,266,827	\$ -	\$ -	\$ -	\$ -	\$ 55,266,827
Fines and fees collected	-	1,315,022	993,175	329,539	1,231,774	3,869,510
Total additions	<u>55,266,827</u>	<u>1,315,022</u>	<u>993,175</u>	<u>329,539</u>	<u>1,231,774</u>	<u>59,136,337</u>
DEDUCTIONS						
Taxes disbursed	55,237,187	-	-	-	-	55,237,187
Fines and fees disbursed	-	1,323,672	880,652	358,821	1,214,516	3,777,661
Total deductions	<u>55,237,187</u>	<u>1,323,672</u>	<u>880,652</u>	<u>358,821</u>	<u>1,214,516</u>	<u>59,014,848</u>
Change in net position	29,640	(8,650)	112,523	(29,282)	17,258	121,489
Net position, beginning of year	<u>445,818</u>	<u>72,961</u>	<u>138,985</u>	<u>50,754</u>	<u>1,731,945</u>	<u>2,440,463</u>
Net position, end of year	<u>\$ 475,458</u>	<u>\$ 64,311</u>	<u>\$ 251,508</u>	<u>\$ 21,472</u>	<u>\$ 1,749,203</u>	<u>\$ 2,561,952</u>

MONROE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS DISCRETELY PRESENTED COMPONENT UNITS - DDA AND IDA FOR THE YEAR ENDED DECEMBER 31, 2022

	Development Authority	Industrial Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 198,899	\$ 1,705,530
Payments to suppliers and service providers	(186,617)	35,630
Net cash provided by operating activities	12,282	1,741,160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(27,675)	(38,300)
Net cash used in capital and related financing activities	(27,675)	(38,300)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,043	-
Net cash provided by investing activities	1,043	-
Net change in cash and cash equivalents	(14,350)	1,702,860
Cash and cash equivalents:		
Beginning of year	2,723,480	-
End of year	\$ 2,709,130	\$ 1,702,860
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (84,996)	\$ 1,702,860
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	40,484	-
(Increase) decrease in:		
Accounts receivable	59,099	-
Prepaid items	(600)	-
Increase (decrease) in:		
Accounts payable	(1,705)	38,300
Net cash used in operating activities	\$ 12,282	\$ 1,741,160

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

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*

**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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 13, 2023. Our report includes a reference to other auditors who audited the financial statements of the Monroe County Board of Health (the "Board of Health"), 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.

Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
November 13, 2023



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

**Board of Commissioners
of Monroe County, Georgia
Forsyth, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Monroe County, Georgia's** (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Macon, Georgia
November 13, 2023

MONROE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Contract or Project Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF THE TREASURY:				
Direct Award:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 8,399,934	\$ -
Total U.S. Department of the Treasury			<u>\$ 8,399,934</u>	<u>\$ -</u>
U.S. DEPARTMENT OF JUSTICE:				
Passed through Georgia Criminal Justice Coordinating Council:				
Victim Services-Child Advocacy	16.575	C20-8-207	\$ 60,000	\$ -
Child Advocacy Center	16.575	C20-8-069	30,112	-
Council of Accountability Courts Judges State of Georgia	16.585	J23-8-093	<u>28,706</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 118,818</u>	<u>\$ -</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through Georgia Emergency Management Agency:				
Emergency Management Performance Grant	97.042	OEM20-104	\$ 8,289	\$ -
Hazard	97.039	4338-0035	<u>168,243</u>	<u>-</u>
Direct Award:				
FY2022 Assistance to Firefighters Grant	97.044	EMW-2018-FO-04530	<u>7,093</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 183,625</u>	<u>\$ -</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through Georgia Criminal Justice Coordinating Council:				
CARA Act Comprehensive Addiction and Recovery Act of 2016	93.799	N50-8-869	<u>\$ 10,800</u>	<u>\$ -</u>
Total U.S. Department of Health and Human Services			<u>\$ 10,800</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 8,713,177</u>	<u>\$ -</u>

MONROE COUNTY, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1. BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Monroe County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the year ended December 31, 2022.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended December 31, 2022.

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the
Financial Statements audited were prepared
in accordance with GAAP.

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:
Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

_____ Yes X None Reported

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the 2CFR 200.516 (a)?

_____ Yes X No

Identification of major programs:

AL Number
21.027

Name of Federal Program or Cluster
U.S. Department of Treasury
COVID-19-Coronavirus State and Local Fiscal
Recovery Funds Program

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

MONROE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION II FINANCIAL STATEMENT FINDINGS

Not Applicable.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable.

MONROE COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

None Reported