

**MONROE COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2008**

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**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i and ii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1 and 2
Management's Discussion and Analysis.....	3 – 11
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets .....	12
Statement of Activities.....	13
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	17 and 18
Statement of Net Assets – Proprietary Funds.....	19
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	20
Statement of Cash Flows – Proprietary Funds .....	21 and 22
Statement of Fiduciary Net Assets – Fiduciary Funds .....	23
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	24
Notes to Financial Statements .....	25 – 55
<b>Required Supplementary Information:</b>	
Schedule of Funding Progress.....	56
<b>Combining and Individual Fund Statements and Schedules:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	58
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	59 and 60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	61 and 62

**MONROE COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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**TABLE OF CONTENTS**

**FINANCIAL SECTION (Continued)**

Combining Balance Sheet – Nonmajor Capital Projects Funds .....	63 and 64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	65 and 66
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 1997 Issue .....	67
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2003 Issue .....	68
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2008 Issue .....	69
Combining Balance Sheet – Agency Funds .....	70

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	71 and 72
Schedule of Findings and Responses .....	73 – 79
Schedule of Prior Year Findings .....	80 – 82
Independent Accountant's Report on Local Assistance Grants.....	83
State of Georgia Grant Certification Forms.....	84 and 85

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monroe County, Georgia (the "County")**, as of and for the year ended December 31, 2008, which collectively comprise Monroe County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Department of Public Health, which statements reflect total assets of \$226,528 as of June 30, 2008, and total revenues of \$509,098 for the year ended June 30, 2008. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Monroe County Board of Health in the component unit column is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monroe County, Georgia as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2009, on our consideration of Monroe County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 11) and the Schedules of Funding Progress (on page 56) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Monroe County, Georgia. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 23, 2009

**MONROE COUNTY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2008**

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As management of Monroe County, Georgia, we offer readers of Monroe County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

**Financial Highlights**

- The assets of Monroe County exceeded its liabilities at December 31, 2008, by \$113,486,362 (net assets). Of this amount, \$14,727,970 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, which is a decrease in unrestricted net assets from the prior year of \$149,217.
- At December 31, 2008, the County's total fund balances as summarized for all governmental fund types on page 14 of the financial statements were \$22,850,024, an increase of \$7,915,316 or 52.99% from the 2007 fiscal year. Of this amount, \$22,808,926 remains in the various funds as unreserved.
- At December 31, 2008, the County's General Fund reported an unreserved fund balance of \$8,447,788, a decrease of \$2,932,253 or (25.77%) from the last fiscal year.

**Overview of the Financial Statements**

This Discussion and Analysis is intended to serve as an introduction to Monroe County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of Monroe County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement, for the first time, consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The business-type activities of the County include water and sewer, landfill, and building inspections.

The government-wide financial statements include not only Monroe County itself (known as the primary government), but also the Monroe County Department of Public Health and the Monroe County Development Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 – 15 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Monroe County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Monroe County maintains governmental funds to account for the following activities: General; Special Revenue (Library, Forfeited Funds, Law Library, Jail Fines, Drug Education, E-911, C.A.R.E. Cottage, Federal Forfeited Funds, EMS Grant, and EMA Grant); Capital Projects (2003 Water Capital, 2008 Water Capital, Roads, Fire, Recreation, Youth Center, Public Safety Facilities, Courthouse, Patrol Vehicles, Emergency Services, Animal Shelter, 2003 SPLOST, Administration Building, Hospital, 2008 SPLOST and Public Facilities Authority); and Debt Service. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2008 SPLOST Fund, and Public Facilities Authority, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Monroe County adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements. This statement can be found on pages 17 and 18.

**Proprietary funds.** Monroe County uses enterprise funds, also known as the business-type functions, to account for the Monroe County Water System, Landfill, and Building Inspection activities. The proprietary funds are reflected in the business-type activities of the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Monroe County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 55 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information concerning Monroe County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 56 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 57 – 65 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Monroe County, assets exceed liabilities by \$113,486,362 at the close of the 2008 fiscal year, an increase of \$4,112,301 or 3.76%. Of the \$113,486,362, \$95,819,807 resulted from Governmental Activities and \$17,666,555 resulted from the Business-type Activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the County's net assets (81.97%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Monroe County's Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Current and other assets	\$ 17,662,334	\$ 29,789,370	\$ 4,465,319	\$ 4,190,676	\$ 22,127,653	\$ 33,980,046
Capital assets	77,844,427	78,474,498	27,980,879	28,966,033	105,825,306	107,440,531
Total assets	95,506,761	108,263,868	32,446,198	33,156,709	127,952,959	141,420,577
Other liabilities	1,700,293	1,706,280	506,202	905,685	2,206,495	2,611,965
Long-term liabilities outstanding	1,079,065	10,737,781	15,293,338	14,584,469	16,372,403	25,322,250
Total liabilities	2,779,358	12,444,061	15,799,540	15,490,154	18,578,898	27,934,215
Net assets:						
Invested in capital assets, net of related debt	77,281,434	77,760,280	13,519,322	15,261,033	90,800,756	93,021,313
Restricted	2,074,244	3,873,522	1,621,874	1,863,557	3,696,118	5,737,079
Unrestricted	13,371,725	14,186,005	1,505,462	541,965	14,877,187	14,727,970
Total net assets	\$ 92,727,403	\$ 95,819,807	\$ 16,646,658	\$ 17,666,555	\$ 109,374,061	\$ 113,486,362

An additional portion of Monroe County's total net assets (5.06%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets (\$14,727,970) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Monroe County is able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities increased the County's net assets by \$3,092,404. Key elements of this increase are as follows:

### Monroe County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program revenues						
Charges for services	\$ 4,843,376	\$ 4,741,594	\$ 1,576,120	\$ 1,490,849	\$ 6,419,496	\$ 6,232,443
Operating grants and contributions	213,568	172,362	-	-	213,568	172,362
Capital grants and contributions	315,433	1,765,409	1,698,430	561,750	2,013,863	2,327,159
General revenues:						
Property taxes	12,976,303	13,280,685	-	-	12,976,303	13,280,685
Sales taxes	7,850,793	9,866,439	-	-	7,850,793	9,866,439
Other taxes	466,305	405,600	847,349	868,003	1,313,654	1,273,603
Unrestricted investment earnings	162,677	142,529	205,123	154,578	367,800	297,107
Gain on sale of capital assets	-	46,670	-	-	-	46,670
Total revenues	<u>26,828,455</u>	<u>30,421,288</u>	<u>4,327,022</u>	<u>3,075,180</u>	<u>31,155,477</u>	<u>33,496,468</u>
Expenses:						
General government	3,859,959	3,932,842	-	-	3,859,959	3,932,842
Judicial	1,435,479	1,351,167	-	-	1,435,479	1,351,167
Public safety	9,969,514	10,500,187	-	-	9,969,514	10,500,187
Public works	5,865,314	5,988,672	-	-	5,865,314	5,988,672
Health and welfare	588,301	817,592	-	-	588,301	817,592
Culture and recreation	893,310	935,197	-	-	893,310	935,197
Housing and development	1,494,538	1,514,891	-	-	1,494,538	1,514,891
Interest on long-term debt	49,968	47,202	-	-	49,968	47,202
Water	-	-	2,378,280	2,453,688	2,378,280	2,453,688
Landfill	-	-	1,420,829	1,640,484	1,420,829	1,640,484
Building Inspection	-	-	195,474	202,245	195,474	202,245
Total expenses	<u>24,156,383</u>	<u>25,087,750</u>	<u>3,994,583</u>	<u>4,296,417</u>	<u>28,150,966</u>	<u>29,384,167</u>
Change in net assets before transfers	<u>2,672,072</u>	<u>5,333,538</u>	<u>332,439</u>	<u>(1,221,237)</u>	<u>3,004,511</u>	<u>-</u>
Transfers	<u>(1,737,404)</u>	<u>(2,241,134)</u>	<u>1,737,404</u>	<u>2,241,134</u>	<u>-</u>	<u>-</u>
Change in net assets	934,668	3,092,404	2,069,843	1,019,897	3,004,511	4,112,301
Net Assets, beginning of year	<u>91,792,735</u>	<u>92,727,403</u>	<u>14,576,615</u>	<u>16,646,658</u>	<u>106,369,350</u>	<u>109,374,061</u>
Net Assets, end of year	<u>\$ 92,727,403</u>	<u>\$ 95,819,807</u>	<u>\$ 16,646,458</u>	<u>\$ 17,666,555</u>	<u>\$ 109,373,861</u>	<u>\$ 113,486,362</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Financial Analysis of the Government's Funds

As noted earlier, Monroe County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Monroe County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2008 fiscal year, the County's governmental funds reported combined ending fund balances of \$22,850,024, an increase of \$7,915,316 in comparison with the prior year. Approximately 99.82% of the combined fund balance (\$22,808,926) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved (\$41,098) to indicate that it is not available for new spending because it has already been committed for inventory (\$41,098).

The General Fund is the chief operating fund of Monroe County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,447,788 while total fund balance reached \$8,488,886. The **unreserved** fund balance of the General Fund decreased \$2,932,253 and the **reserved** fund balance decreased \$25,792. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48.17% of total General Fund expenditures, while total fund balance represents 48.40% of that same amount.

**Proprietary funds.** Monroe County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund types are enterprise funds.

At the end of the current fiscal year, unrestricted net assets of the Water Fund were \$1,070,255, a decrease of \$753,025 or (41.30%). Unrestricted net assets of the Landfill Fund were \$(586,069), a decrease of \$100,673 or 20.74%. Unrestricted net assets of the Building Inspection Fund were \$57,779, a decrease of \$109,799 or (65.52%) Total combined unrestricted assets of proprietary funds resulted in \$541,965, a decrease of \$963,497. The Water Fund reflects restricted net assets of \$1,863,577 for debt service. For the current year-end, the proprietary funds indicate total net assets of \$17,666,555. This is an increase in total net assets for the proprietary funds in the amount of \$1,019,897.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Monroe County Enterprise Net Operating Income (Loss), Nonoperating Revenues (Expenses) and Transfers

	2007	2008
Net operating income (loss):		
Water Fund	\$ (628,594)	\$ (802,530)
Landfill Fund	(1,106,585)	(1,277,058)
Building Inspection Fund	18,718	(84,619)
Total net operating loss	(1,716,461)	(2,164,207)
Nonoperating revenues (expenses)	350,670	381,220
Loss before transfers and contributions	(1,365,791)	(1,782,987)
Capital Contributions	1,698,430	561,750
Net transfers in	1,737,404	2,241,134
Changes in net assets	\$ 2,070,043	\$ 1,019,897

#### General Fund Budgetary Highlights

Differences between the expenditures original budget and the final amended budget were \$646,624 and can be summarized as follows:

- Decrease in general government of \$1,286,884 – due to the shifting of contingent funding during the year to cover unexpected needs of other departments for medical cost, insurance, repairs, fuel and employee salaries and the creation of a capital contingency account for all capital purchases to better control cash flow.
- Increase in judicial of \$3,122 – due to increased maintenance fees.
- Increase in public safety of \$372,561 – due to unanticipated and unbudgeted medical cost for prisoners, increased cost of fuel, employee overtime and group health self insurance cost.
- Increase in public works of \$263,757 – due to equipment purchase from capital contingency, increases in the cost of materials and fuel, increased cost in health insurance.
- Increase in health and welfare of \$1,200 – due to increase in cost of Rabon for our Tick Control Program.
- Increase in culture and recreation of \$15,570 – due to spending grant funds received in prior years.
- Increase in housing and development of \$19,999 – due to purchase of new truck from capital contingency.
- Decrease in debt service of \$35,949.

#### Capital Asset and Debt Administration

**Capital assets.** Monroe County's investment in capital assets for its governmental activities as of December 31, 2008 was \$78,474,498 (net of accumulated depreciation), an increase of \$630,071. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. As required by GASB Statement No. 34, the County has retroactively recorded the infrastructure of its governmental activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Monroe County Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Land	\$ 502,671	\$ 502,671	\$ 339,697	\$ 339,697	\$ 842,368	\$ 842,368
Construction in progress	414,085	1,077,157	39,603	901,734	453,688	1,978,891
Land (landfill)	-	-	604,463	453,347	604,463	453,347
Buildings	9,440,077	9,213,379	15,853	14,191	9,455,930	9,227,570
Building improvements	29,939	91,669	-	-	29,939	91,669
Improvements	153,025	433,905	715,144	660,518	868,169	1,094,423
Infrastructure	63,705,518	63,792,044	25,626,997	25,738,718	89,332,515	89,530,762
Machinery and equipment	3,599,112	3,363,673	639,122	857,828	4,238,234	4,221,501
<b>Total</b>	<b>\$ 77,844,427</b>	<b>\$ 78,474,498</b>	<b>\$ 27,980,879</b>	<b>\$ 28,966,033</b>	<b>\$ 105,825,306</b>	<b>\$ 107,440,531</b>

Major projects in 2008 included the following:

- Construction in progress with renovations to County Courthouse
- Improvements and addition to Bolingbroke Fire Dept.
- Heavy equipment in public works
- New roads paved
- New equipment for fire and rescue
- Additional patrol cars
- New equipment for motor vehicle shop
- Completion of several water projects

Additional information on the County's capital assets can be found in Note 6 on pages 39 – 41 of this report.

**Long-term debt.** At the end of the current fiscal year, Monroe County had total outstanding revenue bond debt of \$13,705,000 which is secured solely by specified revenue services. The County issued Revenue Refunding and Improvement Bonds for Water and Sewerage Projects, Series 2003A, in the aggregate amount of \$13,705,000. The proceeds were used to defease the remaining outstanding Series 1998 Water and Sewerage Bonds. These bonds are included in the Water System Fund. The outstanding balance of revenue bonds as of December 31, 2008 is \$13,705,000.

Also, during the current year, the County issued general obligation bonds of \$9,500,000 through an intergovernmental agreement with the Monroe County Public Facilities Authority, a blended component unit. The bonded debt is to be paid by the County to the Authority from revenues received from a one percent special local option sales tax or SPLOST. The outstanding balance of general obligation bonds as of December 31, 2008 is \$9,500,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Other amounts included in long-term debt as of December 31, 2008 are as follows:

- Capital Leases used to finance new equipment, primarily for various emergency services equipment.
- Compensated Absences reflect the vacation and compensatory pay employees have earned but not yet taken.
- Landfill Postclosure Costs represent amounts accrued by the County for future costs to meet state and federal laws and regulations requiring the County to place a final cover on the Strickland Loop Road Landfill when the landfill stops accepting waste.

### Monroe County's Long-term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Capital leases	\$ 562,993	\$ 264,300	\$ (113,075)	\$ 714,218	\$ 148,474
General obligation bonds	-	9,500,000	-	9,500,000	-
Compensated absences	516,072	270,087	(262,596)	523,563	209,425
Governmental activities Long-term liabilities	<u>\$ 1,079,065</u>	<u>\$ 10,034,387</u>	<u>\$ (375,671)</u>	<u>\$ 10,737,781</u>	<u>\$ 357,899</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 14,650,000	\$ -	\$ (945,000)	\$ 13,705,000	\$ 460,000
Landfill closure costs	582,361	220,508	-	802,869	-
Compensated absences	60,977	41,195	(25,572)	76,600	21,911
Business-type activities Long-term liabilities	<u>\$ 15,293,338</u>	<u>\$ 261,703</u>	<u>\$ (970,572)</u>	<u>\$ 14,584,469</u>	<u>\$ 481,911</u>

Additional information regarding the County's long-term debt can be found in Note 7 on pages 42 – 47 of this report.

### Economic Factors and Next Year's Budgets

- The unemployment rate for Middle Georgia is 8.3% which is lower than the State average of 9.3%. (Unemployment rate per the County Labor Force Estimates from the Georgia Department of Labor website: [www.dol.state.ga.us/](http://www.dol.state.ga.us/)).
- Monthly LOST collections have increased over the past several years and are expected to remain near the same during 2009.
- The 2008 SPLOST is expected to generate approximately \$5,600,000 in tax revenues.
- The value of the county's tax digest increased from \$1,147,471,231 to \$1,405,573,261, an increase of 22.49%. The increase was due to a total revaluation.
- The County's Net Maintenance and Operations (M&O) millage rate in the unincorporated areas decreased from 11.2 to 9.431.

### Requests for Information

This financial report is designed to provide a general overview of Monroe County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy Clerk, Monroe County, P.O. Box 520, Forsyth, Georgia 31029.

**MONROE COUNTY, GEORGIA**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2008**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,298,976	\$ 1,037,983	\$ 9,336,959	\$ 5,052,257	\$ 213,236
Investments	139,528	-	139,528	-	-
Taxes receivable	8,825,682	-	8,825,682	-	-
Interest receivable	3,655	-	3,655	16,364	-
Accounts receivable, net of allowances	576,455	153,204	729,659	-	11,118
Due from other governments	1,967,808	-	1,967,808	-	-
Internal balances	322,379	(322,379)	-	-	-
Due from component unit	113,789	-	113,789	-	-
Due from primary government	-	-	-	160,000	-
Inventories	41,098	91,706	132,804	-	-
Prepaid items	-	-	-	7,841	-
Restricted assets					
Cash	9,370,338	1,220,518	10,590,856	-	-
Investments	-	1,261,549	1,261,549	-	-
Deferred charges, unamortized balance	129,662	748,095	877,757	-	-
Capital assets, non-depreciable	1,579,828	1,241,431	2,821,259	587,462	-
Capital assets, depreciable, net of accumulated depreciation	76,894,670	27,724,602	104,619,272	589,896	2,174
Total assets	<u>108,263,868</u>	<u>33,156,709</u>	<u>141,420,577</u>	<u>6,413,820</u>	<u>226,528</u>
<b>LIABILITIES</b>					
Accounts payable	748,636	542,090	1,290,726	25,643	1,873
Accrued liabilities	471,829	45,495	517,324	-	-
Unearned revenues	15,833	-	15,833	-	-
Due to other governments	251,262	-	251,262	-	-
Due to component unit	-	160,000	160,000	-	-
Due to primary government	-	-	-	113,789	-
Other current liabilities	14,000	-	14,000	-	-
Accrued interest	44,090	101,094	145,184	1,755	-
Customer deposits payable	-	57,006	57,006	-	-
Liabilities payable from restricted assets	-	460,000	460,000	-	-
Capital leases due within one year	148,474	-	148,474	-	-
Capital leases due in more than one year	565,744	-	565,744	-	-
Compensated absences due within one year	209,425	21,911	231,336	-	6,746
Compensated absences due in more than one year	314,138	54,689	368,827	-	30,883
Bonds payable due within one year	-	-	-	110,000	-
Bonds payable due in more than one year	9,500,000	13,245,000	22,745,000	-	-
Landfill closure and postclosure care costs due in more than one year	-	802,869	802,869	-	-
Other noncurrent liabilities	160,630	-	160,630	-	-
Total liabilities	<u>12,444,061</u>	<u>15,490,154</u>	<u>27,934,215</u>	<u>251,187</u>	<u>39,502</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	77,760,280	15,261,033	93,021,313	1,177,358	2,174
Restricted for:					
Capital projects	3,873,522	-	3,873,522	-	-
Debt service	-	1,863,557	1,863,557	-	-
Other purposes	-	-	-	-	-
Unrestricted	14,186,005	541,965	14,727,970	4,985,275	184,852
Total net assets	<u>\$ 95,819,807</u>	<u>\$ 17,666,555</u>	<u>\$ 113,486,362</u>	<u>\$ 6,162,633</u>	<u>\$ 187,026</u>

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

**MONROE COUNTY, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development Authority	
								Health Department	Department
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 3,932,842	\$ 575,649	\$ 467	\$ -	\$ (3,356,726)	\$ (3,356,726)	\$ -	\$ -	\$ -
Judicial	1,351,167	2,242,610	-	-	891,443	891,443	-	-	-
Public safety	10,500,187	1,799,151	171,895	-	(8,529,141)	(8,529,141)	-	-	-
Public works	5,988,672	49,093	-	1,665,409	(4,274,170)	(4,274,170)	-	-	-
Health and welfare	817,592	11,800	-	-	(805,792)	(805,792)	-	-	-
Culture and recreation	935,197	35,520	-	100,000	(799,677)	(799,677)	-	-	-
Housing and development	1,514,891	27,771	-	-	(1,487,120)	(1,487,120)	-	-	-
Interest on long-term debt	47,202	-	-	-	(47,202)	(47,202)	-	-	-
Total governmental activities	25,087,750	4,741,594	172,362	1,765,409	(18,408,385)	(18,408,385)	-	-	-
Business-type activities:									
Water	2,453,688	1,009,797	-	561,750	-	(882,141)	-	-	-
Landfill	1,640,484	363,426	-	-	-	(1,277,058)	-	-	-
Building inspections	202,245	117,626	-	-	-	(84,619)	-	-	-
Total business-type activities	4,296,417	1,490,849	-	561,750	-	(2,243,818)	-	-	-
Total primary government	\$ 29,384,167	\$ 6,232,443	\$ 172,362	\$ 2,327,159	(18,408,385)	(20,652,203)	-	-	-
<b>Component units:</b>									
Development Authority	\$ 352,642	\$ 225,241	\$ 1,257,964	\$ -	-	-	1,130,563	-	-
Health Department	482,018	152,477	349,108	-	-	-	-	19,567	19,567
Total component units	\$ 834,660	\$ 377,718	\$ 1,607,072	\$ -	-	-	1,130,563	-	19,567
General revenues:									
Property taxes					13,280,685				
Sales taxes					9,866,439				
Insurance premium tax					-	868,003			
Intangible tax					192,581				
Alcoholic beverages tax					111,061				
Other taxes					101,958				
Unrestricted investment earnings					142,529	154,578	159,924	7,513	
Gain on sale of capital assets					46,670		46,670		
Transfers					(2,241,134)	2,241,134			
Total general revenues and transfers					21,500,789	3,263,715	24,764,504	4,166,188	7,513
Change in net assets					3,092,404	1,019,897	4,112,301	5,296,751	27,080
Net assets, beginning of year					92,727,403	16,646,658	109,374,061	865,882	159,946
Net assets, end of year					\$ 95,819,807	\$ 17,666,555	\$ 113,486,362	\$ 6,162,633	\$ 187,026

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

**MONROE COUNTY, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<u>General</u>	<u>2008 SPLOST</u>	<u>Public Facilities Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 3,413,551	\$ 1,306,738	\$ -	\$ 3,578,687	\$ 8,298,976
Investments	54,533	-	-	84,995	139,528
Taxes receivable (net)	8,825,682	-	-	-	8,825,682
Accounts receivable	540,036	-	-	36,419	576,455
Interest receivable	-	-	3,655	-	3,655
Due from other governments	781,762	178,280	-	1,007,766	1,967,808
Due from other funds	1,244,523	1,000	-	1,265,917	2,511,440
Due from component unit	113,789	-	-	-	113,789
Inventories	41,098	-	-	-	41,098
Restricted cash	-	-	9,370,338	-	9,370,338
Total assets	<u>\$ 15,014,974</u>	<u>\$ 1,486,018</u>	<u>\$ 9,373,993</u>	<u>\$ 5,973,784</u>	<u>\$ 31,848,769</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 497,904	\$ -	\$ -	\$ 250,732	\$ 748,636
Accrued liabilities	428,487	-	-	43,342	471,829
Deferred revenues	5,323,957	-	-	-	5,323,957
Due to other governments	-	251,262	-	-	251,262
Due to other funds	261,740	1,227,254	-	700,067	2,189,061
Other current liabilities	14,000	-	-	-	14,000
Total liabilities	<u>6,526,088</u>	<u>1,478,516</u>	<u>-</u>	<u>994,141</u>	<u>8,998,745</u>
<b>FUND BALANCES</b>					
Fund balances:					
Reserved for:					
Inventories	41,098	-	-	-	41,098
Unreserved reported in:					
General fund	8,447,788	-	-	-	8,447,788
Special revenue funds	-	-	-	1,113,623	1,113,623
Capital projects funds	-	7,502	9,373,993	3,866,020	13,247,515
Total fund balances	<u>8,488,886</u>	<u>7,502</u>	<u>9,373,993</u>	<u>4,979,643</u>	<u>22,850,024</u>
Total liabilities and fund balances	<u>\$ 15,014,974</u>	<u>\$ 1,486,018</u>	<u>\$ 9,373,993</u>	<u>\$ 5,973,784</u>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					78,474,498
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					5,308,124
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(10,652,209)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.					(5,464)
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.					(155,166)
Net assets of governmental activities					<u>\$ 95,819,807</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 FISCAL YEAR ENDED DECEMBER 31, 2008**

	<b>General</b>	<b>2008 SPLOST</b>	<b>Public Facilities Authority</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Property taxes	\$ 9,032,895	\$ -	\$ -	\$ -	\$ 9,032,895
Sales taxes	4,033,093	971,835	-	4,861,511	9,866,439
Other taxes	405,600	-	-	-	405,600
Licenses and permits	60,870	-	-	-	60,870
Intergovernmental	104,854	-	-	386,585	491,439
Charges for services	2,156,735	-	-	361,947	2,518,682
Fines and forfeitures	1,497,387	-	-	504,672	2,002,059
Interest income	82,236	7,502	3,655	49,136	142,529
Miscellaneous	151,997	-	-	12,318	164,315
Total revenues	<u>17,525,667</u>	<u>979,337</u>	<u>3,655</u>	<u>6,176,169</u>	<u>24,684,828</u>
<b>Expenditures</b>					
Current:					
General government	2,861,475	-	-	287	2,861,762
Judicial	1,213,945	-	-	13,249	1,227,194
Public safety	8,743,106	-	-	1,283,680	10,026,786
Public works	2,972,655	-	-	-	2,972,655
Health and welfare	474,789	-	-	328,519	803,308
Culture and recreation	855,182	-	-	14,227	869,409
Housing and development	273,024	-	-	1,257,964	1,530,988
Intergovernmental	-	971,835	-	-	971,835
Capital outlay	-	-	-	2,824,720	2,824,720
Debt service:					
Principal	113,075	-	-	-	113,075
Interest and fiscal charges	30,625	-	-	-	30,625
Issuance costs	-	-	129,662	-	129,662
Total expenditures	<u>17,537,876</u>	<u>971,835</u>	<u>129,662</u>	<u>5,722,646</u>	<u>24,362,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,209)</u>	<u>7,502</u>	<u>(126,007)</u>	<u>453,523</u>	<u>322,809</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	83,481	-	-	-	83,481
Capital leases	264,300	-	-	-	264,300
Issuance of bonds	-	-	9,500,000	-	9,500,000
Transfers in	83	-	-	1,822,451	1,822,534
Transfers out	<u>(3,293,700)</u>	<u>-</u>	<u>-</u>	<u>(784,108)</u>	<u>(4,077,808)</u>
Total other financing sources (uses)	<u>(2,945,836)</u>	<u>-</u>	<u>9,500,000</u>	<u>1,038,343</u>	<u>7,592,507</u>
Net change in fund balances	(2,958,045)	7,502	9,373,993	1,491,866	7,915,316
<b>Fund balance, beginning of year</b>	<u>11,446,931</u>	<u>-</u>	<u>-</u>	<u>3,487,777</u>	<u>14,934,708</u>
<b>Fund balance, end of year</b>	<u>\$ 8,488,886</u>	<u>\$ 7,502</u>	<u>\$ 9,373,993</u>	<u>\$ 4,979,643</u>	<u>\$ 22,850,024</u>

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

**MONROE COUNTY, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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

Net change in fund balances - total governmental funds	\$ 7,915,316
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(789,258)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	1,419,329
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,247,790
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 assets. Also, governmental funds report the effect of issuance costs, 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.	(9,521,563)
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>(179,210)</u>
	<u>\$ 3,092,404</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 AND ACTUAL**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 12,635,541	\$ 12,635,541	\$ 9,032,895	\$ (3,602,646)
Sales taxes	3,200,000	3,200,000	4,033,093	833,093
Other taxes	553,607	553,607	405,600	(148,007)
Licenses and permits	84,000	84,000	60,870	(23,130)
Intergovernmental	154,139	156,139	104,854	(51,285)
Charges for services	1,896,350	1,896,350	2,156,735	260,385
Fines and forfeitures	1,855,000	1,855,000	1,497,387	(357,613)
Investment income	110,000	110,000	82,236	(27,764)
Miscellaneous	90,900	168,700	151,997	(16,703)
Total revenues	<u>20,579,537</u>	<u>20,659,337</u>	<u>17,525,667</u>	<u>(3,133,670)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
County commissioners	1,921,530	634,191	586,040	48,151
Board of registrars	30,528	57,360	57,360	-
Elections	97,491	97,491	97,181	310
Financial administration	159,158	159,158	155,518	3,640
Purchasing	156,888	156,888	146,807	10,081
Fuel depot	8,324	8,324	5,933	2,391
Tax commissioner	361,409	361,409	354,533	6,876
Tax assessor	642,689	644,281	550,578	93,703
Board of equalization	5,175	8,992	8,992	-
Public buildings	464,739	470,893	449,997	20,896
Justice center	176,100	179,584	179,484	100
General insurance	310,500	269,076	269,052	24
Total general government	<u>4,334,531</u>	<u>3,047,647</u>	<u>2,861,475</u>	<u>186,172</u>
<b>Judicial:</b>				
Superior court	407,061	407,061	321,655	85,406
Clerk of superior court	373,302	375,583	368,163	7,420
Magistrate court	220,615	220,615	206,905	13,710
Probate court	331,446	332,767	307,635	25,132
Juvenile court	11,102	10,622	9,587	1,035
Total judicial	<u>1,343,526</u>	<u>1,346,648</u>	<u>1,213,945</u>	<u>132,703</u>
<b>Public safety:</b>				
Sheriff	3,329,529	3,446,575	3,478,772	(32,197)
Jail	2,514,565	2,599,486	2,587,804	11,682
School resource officer	55,294	51,092	51,092	-
Emergency services	2,253,865	2,425,647	2,496,127	(70,480)
Coroner	15,533	15,533	15,369	164
Animal control	72,100	75,114	72,226	2,888
Emergency management	46,350	46,350	41,716	4,634
Total public safety	<u>8,287,236</u>	<u>8,659,797</u>	<u>8,743,106</u>	<u>(83,309)</u>
<b>Public works:</b>				
Public roads	2,052,147	2,148,939	2,156,763	(7,824)
Maintenance and shop	654,412	821,377	815,892	5,485
Total public works	<u>2,706,559</u>	<u>2,970,316</u>	<u>2,972,655</u>	<u>(2,339)</u>

(Continued)

**MONROE COUNTY, GEORGIA**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Health and welfare:</b>				
Healthcare	\$ 394,981	\$ 394,981	\$ 393,481	\$ 1,500
Tick control	29,342	30,542	28,516	2,026
Welfare	31,392	31,392	25,292	6,100
Community services	27,500	27,500	27,500	-
Total health and welfare	<u>483,215</u>	<u>484,415</u>	<u>474,789</u>	<u>9,626</u>
<b>Culture and recreation:</b>				
Recreation	575,364	590,975	584,241	6,734
Library	273,713	273,672	270,941	2,731
Total culture and recreation	<u>849,077</u>	<u>864,647</u>	<u>855,182</u>	<u>9,465</u>
<b>Housing and development:</b>				
Soil conservation	36,468	36,468	34,425	2,043
Extension service	84,119	103,118	89,161	13,957
Georgia forestry commission	7,156	7,156	7,156	-
Planning and zoning	113,958	113,958	109,782	4,176
Economic development	145,289	146,289	32,500	113,789
Total housing and development	<u>386,990</u>	<u>406,989</u>	<u>273,024</u>	<u>133,965</u>
<b>Debt service:</b>				
Principal	102,135	113,049	113,075	(26)
Interest and fiscal charges	77,514	30,651	30,625	26
Total debt service	<u>179,649</u>	<u>143,700</u>	<u>143,700</u>	<u>-</u>
Total expenditures	<u>18,570,783</u>	<u>17,924,159</u>	<u>17,537,876</u>	<u>386,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,008,754</u>	<u>2,735,178</u>	<u>(12,209)</u>	<u>(2,747,387)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	83	83
Transfers out	(2,546,254)	(3,293,700)	(3,293,700)	-
Capital leases	-	-	264,300	264,300
Proceeds from sale of assets	537,500	537,500	83,481	(454,019)
Total other financing sources (uses)	<u>(2,008,754)</u>	<u>(2,756,200)</u>	<u>(2,945,836)</u>	<u>(189,636)</u>
Net change in fund balance	-	(21,022)	(2,958,045)	(2,937,023)
<b>Fund balance, beginning of year</b>	<u>11,446,931</u>	<u>11,446,931</u>	<u>11,446,931</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 11,446,931</u>	<u>\$ 11,425,909</u>	<u>\$ 8,488,886</u>	<u>\$ (2,937,023)</u>

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

**MONROE COUNTY, GEORGIA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2008**

<b>ASSETS</b>	<b>Water Fund</b>	<b>Landfill</b>	<b>Nonmajor Enterprise Fund Building Inspection</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>				
Cash	\$ 514,898	\$ 416,271	\$ 106,814	\$ 1,037,983
Accounts receivable, net of allowances	76,829	76,375	-	153,204
Inventory	91,706	-	-	91,706
Due from other funds	234	221,843	-	222,077
Restricted assets				
Cash	1,220,518	-	-	1,220,518
Investments	1,261,549	-	-	1,261,549
Total current assets	<u>3,165,734</u>	<u>714,489</u>	<u>106,814</u>	<u>3,987,037</u>
<b>NONCURRENT ASSETS</b>				
Deferred charges, unamortized balance	748,095	-	-	748,095
Capital assets:				
Non-depreciable	1,045,665	195,766	-	1,241,431
Depreciable, net of accumulated depreciation	<u>25,915,342</u>	<u>1,769,161</u>	<u>40,099</u>	<u>27,724,602</u>
Total capital assets	<u>26,961,007</u>	<u>1,964,927</u>	<u>40,099</u>	<u>28,966,033</u>
Total noncurrent assets	<u>27,709,102</u>	<u>1,964,927</u>	<u>40,099</u>	<u>29,714,128</u>
Total assets	<u>\$ 30,874,836</u>	<u>\$ 2,679,416</u>	<u>\$ 146,913</u>	<u>\$ 33,701,165</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 128,227	\$ 413,469	\$ 394	\$ 542,090
Accrued liabilities	8,337	30,007	7,151	45,495
Compensated absences payable, current	2,400	15,611	3,900	21,911
Due to other funds	511,526	-	32,930	544,456
Due to component unit	160,000	-	-	160,000
Payable from restricted assets:				
Accrued interest payable	101,094	-	-	101,094
Revenue bonds payable, current portion	460,000	-	-	460,000
Customer deposits payable	57,006	-	-	57,006
Total current liabilities	<u>1,428,590</u>	<u>459,087</u>	<u>44,375</u>	<u>1,932,052</u>
<b>LONG-TERM LIABILITIES</b>				
Revenue bonds payable, net of current portion	13,245,000	-	-	13,245,000
Compensated absences	11,427	38,602	4,660	54,689
Accrued closure / post-closure costs	-	802,869	-	802,869
Total long-term liabilities	<u>13,256,427</u>	<u>841,471</u>	<u>4,660</u>	<u>14,102,558</u>
Total liabilities	<u>14,685,017</u>	<u>1,300,558</u>	<u>49,035</u>	<u>16,034,610</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	13,256,007	1,964,927	40,099	15,261,033
Restricted for debt service	1,863,557	-	-	1,863,557
Unrestricted	1,070,255	(586,069)	57,779	541,965
Total net assets	<u>\$ 16,189,819</u>	<u>\$ 1,378,858</u>	<u>\$ 97,878</u>	<u>\$ 17,666,555</u>

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

**MONROE COUNTY, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Water Fund</u>	<u>Landfill</u>	<u>Nonmajor Enterprise Fund Building Inspection</u>	<u>Totals</u>
<b>Operating revenues:</b>				
Charges for services:				
Water charges	\$ 963,683	\$ -	\$ -	\$ 963,683
Collection and disposal fees	-	362,313	-	362,313
Building licenses and permits	-	-	117,626	117,626
Service charges	45,613	-	-	45,613
Miscellaneous	501	1,113	-	1,614
Total operating revenues	<u>1,009,797</u>	<u>363,426</u>	<u>117,626</u>	<u>1,490,849</u>
<b>Operating expenses:</b>				
Personal services	176,709	792,300	165,920	1,134,929
Purchased/contracted services	152,530	351,663	14,572	518,765
Supplies and materials	84,845	181,151	10,520	276,516
Utilities and purchased water	856,886	-	-	856,886
Depreciation	541,357	315,370	11,233	867,960
Total operating expenses	<u>1,812,327</u>	<u>1,640,484</u>	<u>202,245</u>	<u>3,655,056</u>
Operating loss	<u>(802,530)</u>	<u>(1,277,058)</u>	<u>(84,619)</u>	<u>(2,164,207)</u>
<b>Nonoperating revenues (expenses):</b>				
Insurance premium tax	-	868,003	-	868,003
Investment income	145,718	6,397	2,463	154,578
Interest expense	<u>(641,361)</u>	<u>-</u>	<u>-</u>	<u>(641,361)</u>
Total nonoperating revenues (expenses)	<u>(495,643)</u>	<u>874,400</u>	<u>2,463</u>	<u>381,220</u>
Loss before transfers and contributions	(1,298,173)	(402,658)	(82,156)	(1,782,987)
<b>Transfers</b>				
Transfers in	1,925,274	330,000	-	2,255,274
Transfers out	<u>-</u>	<u>-</u>	<u>(14,140)</u>	<u>(14,140)</u>
Total transfers	<u>1,925,274</u>	<u>330,000</u>	<u>(14,140)</u>	<u>2,241,134</u>
<b>Capital contributions</b>	<u>561,750</u>	<u>-</u>	<u>-</u>	<u>561,750</u>
Change in net assets	1,188,851	(72,658)	(96,296)	1,019,897
<b>Net assets, beginning of year</b>	<u>15,000,968</u>	<u>1,451,516</u>	<u>194,174</u>	<u>16,646,658</u>
<b>Net assets, end of year</b>	<u>\$ 16,189,819</u>	<u>\$ 1,378,858</u>	<u>\$ 97,878</u>	<u>\$ 17,666,555</u>

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

**MONROE COUNTY, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Water Fund</u>	<u>Landfill</u>	<u>Nonmajor Enterprise Fund Building Inspection</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,016,878	\$ 373,571	\$ 117,626	\$ 1,508,075
Payments to suppliers and service providers	(995,649)	(172,937)	(234)	(1,168,820)
Payments to employees	(172,511)	(782,865)	(165,130)	(1,120,506)
Receipts from interfund services provided	-	(221,843)	-	(221,843)
Receipts for interfund services received	(820,789)	-	-	(820,789)
Net cash used in operating activities	<u>(972,071)</u>	<u>(804,074)</u>	<u>(47,738)</u>	<u>(1,823,883)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Insurance premium taxes	-	868,003	-	868,003
Transfers in	1,925,274	330,000	-	2,255,274
Net cash provided by noncapital financing activities	<u>1,925,274</u>	<u>1,198,003</u>	<u>-</u>	<u>3,123,277</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and equipment	(903,338)	(343,385)	(38,876)	(1,285,599)
Principal paid on bonds	(945,000)	-	-	(945,000)
Interest paid	(626,944)	-	-	(626,944)
Net cash used in capital and related financing activities	<u>(2,475,282)</u>	<u>(343,385)</u>	<u>(38,876)</u>	<u>(2,857,543)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	68,832	-	-	68,832
Interest on investments	145,718	6,397	2,463	154,578
Net cash provided by investing activities	<u>214,550</u>	<u>6,397</u>	<u>2,463</u>	<u>223,410</u>
Net increase (decrease) in cash and cash equivalents	(1,307,529)	56,941	(84,151)	(1,334,739)
<b>Cash and cash equivalents:</b>				
Beginning of year	3,042,945	359,330	190,965	3,593,240
End of year	<u>\$ 1,735,416</u>	<u>\$ 416,271</u>	<u>\$ 106,814</u>	<u>\$ 2,258,501</u>
<b>Classified as:</b>				
Cash and cash equivalents	\$ 514,898	\$ 416,271	\$ 106,814	\$ 1,037,983
Restricted assets, cash and cash equivalents	1,220,518	-	-	1,220,518
	<u>\$ 1,735,416</u>	<u>\$ 416,271</u>	<u>\$ 106,814</u>	<u>\$ 2,258,501</u>

(Continued)

**MONROE COUNTY, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Water Fund</u>	<u>Landfill</u>	<u>Nonmajor Enterprise Fund Building Inspection</u>	<u>Totals</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>				
Operating loss	\$ (802,530)	\$ (1,277,058)	\$ (84,619)	\$ (2,164,207)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	541,357	315,370	11,233	867,960
(Increase) decrease in:				
Accounts receivable	(3,569)	10,145	-	6,576
Inventory	79,879	-	-	79,879
Due from other funds	130,338	(221,843)	-	(91,505)
Increase (decrease) in:				
Accounts payable	18,733	374,696	-	393,429
Accrued liabilities	194	(632)	(762)	(1,200)
Compensated absences	4,004	10,067	1,552	15,623
Due to other funds	(951,127)	(235,327)	24,858	(1,161,596)
Accrued closure/post-closure costs	-	220,508	-	220,508
Customer deposits payable	10,650	-	-	10,650
Net cash used in operating activities	<u>\$ (972,071)</u>	<u>\$ (804,074)</u>	<u>\$ (47,738)</u>	<u>\$ (1,823,883)</u>
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Capital assets transferred to other funds	\$ -	\$ -	\$ (14,140)	\$ (14,140)
Capital asset additions contributed from developers	<u>561,750</u>	<u>-</u>	<u>-</u>	<u>561,750</u>
Total noncash investing, capital and financing activities	<u>\$ 561,750</u>	<u>\$ -</u>	<u>\$ (14,140)</u>	<u>\$ 547,610</u>

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

**MONROE COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2008**

	<b>Private Purpose Trust Fund</b>	
<b>ASSETS</b>	<b>Veterans' Memorial</b>	<b>Agency Funds</b>
Cash	\$ 6,404	\$ 2,705,624
Taxes receivable	-	45,523,730
Total assets	\$ 6,404	\$ 48,229,354
<b>LIABILITIES</b>		
Due to others	\$ -	\$ 2,705,624
Uncollected taxes	-	45,523,730
Total liabilities	\$ -	\$ 48,229,354
<b>NET ASSETS</b>		
Held in trust for veterans' memorial	\$ 6,404	

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

**MONROE COUNTY, GEORGIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2008**

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	<b>Private Purpose Trust Fund Veterans' Memorial</b>
<b>ADDITIONS</b>	
Contributions	\$ 250
Interest income	117
Total additions	<u>367</u>
<b>DEDUCTIONS</b>	
Veterans' memorial	3,684
Total deductions	<u>3,684</u>
Change in net assets	(3,317)
Net assets, beginning of the year	<u>9,721</u>
Net assets, end of the year	<u>\$ 6,404</u>

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

## **BASIC FINANCIAL STATEMENTS**

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**MONROE COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Monroe County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Auditing Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

**A. The Reporting Entity**

Monroe County was established under the provisions of an act of the General Assembly of Georgia on May 15, 1821. The County operates under a County Commissioner form of government (five commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Monroe County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, the financial statements of the component units are discretely presented in the government-wide financial statements.

**Monroe County Health Department**

The Monroe County Health Department (the "Health Department") has a governing board consisting of seven members. Five of the members are either County officials or members appointed by the County. The two remaining members are appointed by the City of Forsyth. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30<sup>th</sup> year-end. The Health Department's statements have been prepared separately and can be obtained by writing to the Monroe County Health Department, 106 Martin Luther King Drive, Forsyth, Georgia 31029.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Reporting Entity (Continued)

##### **Development Authority of Monroe County, Georgia**

The governing board of the Development Authority of Monroe County, Georgia (the “Development Authority”) consists of seven members appointed by the Monroe County Board of Commissioners. The Development Authority is responsible for promoting industrial and commercial development within Monroe County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County does provide financial support to the Development Authority and is obligated to provide funding to repay the Development Authority’s bonded debt. There are no separately issued financial statements available for the Development Authority.

##### **Monroe County Public Facilities Authority (Blended Component Unit.)**

The Monroe County Public Facilities Authority (the “Public Facilities Authority”) is governed by the members of the County’s Board of Commissioners. Although it is legally separate from the County, the Public Facilities Authority is reported as if it were part of the primary government because its sole purpose is to finance and purchase the County’s land and public buildings through debt arrangements. Because capital lease arrangements between a primary government and its blended component unit are not to be reported as capital leases in the financial reporting entity’s financial statements, the debt and assets of the Public Facilities Authority are reported as a form of the County’s debt and assets. All debt service activity of the Public Facilities Authority will be reported as debt service activity of the County. There are no separately issued financial statements available for the Public Facilities Authority.

##### **Monroe County Law Library (Blended Component Unit.)**

The Monroe County Law Library, an entity separate from the County, is governed by a Board of Trustees. For financial reporting purposes, the Law Library is reported as if it were part of the County’s operations, because it functions primarily for the courts of the County. The Law Library does not issue separate financial statements. All property purchased with funds expended by the Law Library becomes the property of Monroe County.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

The **2008 SPLOST Capital Project Fund** accounts for revenues received on behalf of the City of Forsyth and the City of Culloden. Financing is provided by a special County one percent sales and use tax.

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

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

The **capital project funds** account for the acquisition or construction of capital facilities.

The **debt service fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Cash, Cash Equivalents, and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Cash, Cash Equivalents, and Investments (Continued)

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines a participant's shares sold and redeemed based on \$1.00 per share.

#### E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

#### G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Interest totaling \$19,905 was included as part of the cost of capital assets under construction in connection with water system infrastructure construction.

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

Capital assets of the Development Authority are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	40
Infrastructure	50

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. 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.

#### K. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

#### L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 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 Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 \$10,652,209 difference are as follows:

Accrued interest	\$ (44,090)
Capital leases payable	(714,218)
Compensated absences	(523,563)
Bonds payable	(9,500,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	129,662
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ (10,652,209)

#### 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 assets 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 \$789,258 difference are as follows:

Capital outlay	\$ 2,374,238
Depreciation expense	(3,163,496)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	\$ (789,258)

## 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 net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$1,419,329 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 1,442,000
Transfers of capital assets from other funds increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	14,140
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	<u>(36,811)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ 1,419,329</u></u>

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 \$9,521,563 difference are as follows:

Issuance of new debt	
Capital leases	\$ 264,300
Bonds payable	9,500,000
Deferred charge for issuance costs	(129,662)
Principal repayments:	
Capital leases	<u>(113,075)</u>
Net adjustment to increase net changes in <i>fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u><u>\$ 9,521,563</u></u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$179,210 difference are as follows:

Compensated absences	\$ (7,491)
Accrued interest	(16,577)
Net pension obligation	24
Net OPEB obligation	<u>(155,166)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ (179,210)</u>

### NOTE 3. LEGAL COMPLIANCE – BUDGETS

**Budgetary Data.** The annual budget document is the financial plan for the operation of Monroe County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). An annual operating budget is prepared for all governmental funds except capital project funds. Capital Projects Funds use project-length budgets.

Department heads submit to the County Clerk a proposed operating budget for the fiscal year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the County Clerk for study. Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally adopted by the Board of Commissioners.

The legal level of control for each legally adopted annual budget is the department level. Supplemental appropriations out of the County’s General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County’s governmental funds at any time during the year. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

**Budgetary Data (Continued).** All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. The supplementary budgetary appropriations made were not material. All unexpended appropriations provided in the annual budget lapse at year-end.

**Excess Expenditures over Appropriations.** For the year ended December 31, 2008, expenditures exceeded budget in the following General Fund departments and Special Revenue Fund, as follows:

<u>Department</u>	<u>Excess</u>
General Fund:	
Sheriff	\$ 32,197
Emergency services	70,480
Public roads	7,824
EMS Grant Fund	6,800

The overexpenditures in the General Fund were funded by underexpenditures in other departments. The overexpenditure in the EMS Grant Fund was funded by fund balance.

**Deficit Fund Equity.** The EMA Grant Fund had a deficit fund balance of \$1,361 as of December 31, 2008. The County plans to eliminate this deficit through future grant revenues.

### NOTE 4. DEPOSITS AND INVESTMENTS

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of December 31, 2008, the County's investments in the Georgia Fund 1 were rated AAAM by Standard & Poor's and the investments in the Federal National Mortgage Association Pool, Federal National Mortgage Association Discount Notes, Federal Home Loan Mortgage Association Discount Notes, and Federal Home Loan Bank Bonds were rated AAA by Standard & Poor's.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2008, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Federal National Mortgage Association Pool	March 2, 2009	\$ 84,050
Federal National Mortgage Association Discount Notes	May 1, 2009	1,094,124
Federal Home Loan Mortgage Discount Notes	March 27, 2009	2,999
Federal Home Loan Bank Bonds	April 1, 2009	80,375
Georgia Fund 1	46 day weighted-average	54,533
Certificates of Deposit	10.42 months weighted-average	84,996
		<u>\$ 1,401,077</u>

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2008, 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 (OCA) Section 45-8-12(c) and as defined by GASB pronouncements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at December 31, 2008, consist of the following:

	<u>General Fund</u>	<u>Public Facilities Authority</u>	<u>Water Fund</u>	<u>Landfill Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 34,228,523	\$ -	\$ -	\$ -	\$ -	\$ 34,228,523
Accounts	901,578	-	149,663	87,096	36,419	1,174,756
Interest	-	3,655	-	-	-	3,655
Gross receivables	<u>35,130,101</u>	<u>3,655</u>	<u>149,663</u>	<u>87,096</u>	<u>36,419</u>	<u>35,406,934</u>
Less allowance	<u>(25,764,383)</u>	<u>-</u>	<u>(72,834)</u>	<u>(10,721)</u>	<u>-</u>	<u>(25,847,938)</u>
Net receivables	<u>\$ 9,365,718</u>	<u>\$ 3,655</u>	<u>\$ 76,829</u>	<u>\$ 76,375</u>	<u>\$ 36,419</u>	<u>\$ 9,558,996</u>

Property taxes were levied on November 12, 2008. Bills are payable on or before January 14, 2009, 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 2008 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2008 and collected by February 28, 2009 are recognized as revenues in the year ended December 31, 2008. Net receivables estimated to be collected subsequent to February 28, 2009 are deferred as of December 31, 2008 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 January 14, 2009.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2008, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 502,671	\$ -	\$ -	\$ -	\$ 502,671
Construction in progress	414,085	883,677	-	(220,605)	1,077,157
Total	<u>916,756</u>	<u>883,677</u>	<u>-</u>	<u>(220,605)</u>	<u>1,579,828</u>
Capital assets, being depreciated:					
Buildings	11,417,962	-	-	-	11,417,962
Building improvements	31,800	63,902	-	-	95,702
Land improvements	1,790,060	71,551	-	220,605	2,082,216
Infrastructure	95,224,046	2,030,733	-	-	97,254,779
Machinery & equipment	10,467,869	766,375	(736,529)	16,911	10,514,626
Total	<u>118,931,737</u>	<u>2,932,561</u>	<u>(736,529)</u>	<u>237,516</u>	<u>121,365,285</u>
Less accumulated depreciation for:					
Buildings	1,977,885	226,698	-	-	2,204,583
Building improvements	1,861	2,172	-	-	4,033
Land improvements	1,637,035	11,276	-	-	1,648,311
Infrastructure	31,518,528	1,944,207	-	-	33,462,735
Machinery & equipment	6,868,757	979,143	(699,718)	2,771	7,150,953
Total	<u>42,004,066</u>	<u>3,163,496</u>	<u>(699,718)</u>	<u>2,771</u>	<u>44,470,615</u>
Total capital assets, being depreciated, net	<u>76,927,671</u>	<u>(230,935)</u>	<u>(36,811)</u>	<u>234,745</u>	<u>76,894,670</u>
Governmental activities capital assets, net	<u>\$ 77,844,427</u>	<u>\$ 652,742</u>	<u>\$ (36,811)</u>	<u>\$ 14,140</u>	<u>\$ 78,474,498</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 339,697	\$ -	\$ -	\$ -	\$ 339,697
Construction in progress	39,603	862,131	-	-	901,734
Total	<u>379,300</u>	<u>862,131</u>	<u>-</u>	<u>-</u>	<u>1,241,431</u>
Capital assets, being depreciated:					
Land (landfill)	3,332,422	-	-	-	3,332,422
Buildings	33,243	-	-	-	33,243
Improvements	1,092,514	-	-	-	1,092,514
Infrastructure	28,056,788	622,862	-	-	28,679,650
Machinery & equipment	1,613,541	382,261	-	(16,911)	1,978,891
Total	<u>34,128,508</u>	<u>1,005,123</u>	<u>-</u>	<u>(16,911)</u>	<u>35,116,720</u>
Less accumulated depreciation for:					
Land (landfill)	2,727,959	151,116	-	-	2,879,075
Buildings	17,390	1,662	-	-	19,052
Improvements	377,370	54,626	-	-	431,996
Infrastructure	2,429,791	511,141	-	-	2,940,932
Machinery & equipment	974,419	149,415	-	(2,771)	1,121,063
Total	<u>6,526,929</u>	<u>867,960</u>	<u>-</u>	<u>(2,771)</u>	<u>7,392,118</u>
Total capital assets, being depreciated, net	<u>27,601,579</u>	<u>137,163</u>	<u>-</u>	<u>(14,140)</u>	<u>27,724,602</u>
Business-type activities capital assets, net	<u>\$ 27,980,879</u>	<u>\$ 999,294</u>	<u>\$ -</u>	<u>\$ (14,140)</u>	<u>\$ 28,966,033</u>

During the year ended December 31, 2008, assets with a net book value of \$14,140 were transferred from Business-type activities to Governmental activities.

## 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	\$	65,248
Judicial		17,465
Public safety		773,148
Public works		2,240,800
Health and welfare		14,284
Culture and recreation		50,927
Housing and development		1,624
Total depreciation expense - governmental activities	<u>\$</u>	<u>3,163,496</u>
Business-type activities:		
Water Fund	\$	541,357
Landfill		315,370
Business Inspection		11,233
Total depreciation expense - business-type activities	<u>\$</u>	<u>867,960</u>

#### B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,922,663	\$ -	\$ (1,335,201)	\$ 587,462
Total	<u>1,922,663</u>	<u>-</u>	<u>(1,335,201)</u>	<u>587,462</u>
Capital assets, being depreciated:				
Buildings	1,267,375	-	(1,267,375)	-
Infrastructure	629,346	-	-	629,346
Total	<u>1,896,721</u>	<u>-</u>	<u>(1,267,375)</u>	<u>629,346</u>
Less accumulated depreciation for:				
Buildings	34,461	43,446	(77,907)	-
Infrastructure	13,691	25,759	-	39,450
Total	<u>48,152</u>	<u>69,205</u>	<u>(77,907)</u>	<u>39,450</u>
Total capital assets, being depreciated, net	<u>1,848,569</u>	<u>(69,205)</u>	<u>(1,189,468)</u>	<u>589,896</u>
Development Authority capital assets, net	<u>\$ 3,771,232</u>	<u>\$ (69,205)</u>	<u>\$ (2,524,669)</u>	<u>\$ 1,177,358</u>

## NOTES TO FINANCIAL STATEMENTS

### 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, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Capital leases	\$ 562,993	\$ 264,300	\$ (113,075)	\$ 714,218	\$ 148,474
General obligation bonds	-	9,500,000	-	9,500,000	-
Compensated absences	516,072	270,087	(262,596)	523,563	209,425
Governmental activities Long-term liabilities	<u>\$ 1,079,065</u>	<u>\$ 10,034,387</u>	<u>\$ (375,671)</u>	<u>\$ 10,737,781</u>	<u>\$ 357,899</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 14,650,000	\$ -	\$ (945,000)	\$ 13,705,000	\$ 460,000
Landfill closure and postclosure costs	582,361	220,508	-	802,869	-
Compensated absences	60,977	41,195	(25,572)	76,600	21,911
Business-type activities Long-term liabilities	<u>\$ 15,293,338</u>	<u>\$ 261,703</u>	<u>\$ (970,572)</u>	<u>\$ 14,584,469</u>	<u>\$ 481,911</u>

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

**Capital Leases.** The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. The cost of assets under capital leases as of December 31, 2008 is \$1,270,722.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Capital Leases. (Continued)** The County's total capital lease debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	<u>Governmental Activities</u>
2009	\$ 180,906
2010	182,226
2011	182,226
2012	182,075
2013	40,703
2014	<u>36,743</u>
Total minimum lease payments	804,879
Less amount representing interest	<u>(90,661)</u>
Present value of future minimum lease payments	<u><u>\$ 714,218</u></u>

**General Obligation Bonds.** During the year ended December 31, 2008, the Monroe County Public Facilities Authority issued bonds in the amount of \$9,500,000. The bonds bear interest of 3.203% with final maturity in 2014. Proceeds of the bonds were used for the purpose of financing 1) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the County; 2) all or a portion of the cost of acquisition, construction, development and equipping of various capital outlay projects located within the City of Forsyth and 3) to pay the costs of issuance of the bonds. The outstanding balance of the general obligation bonds as of December 31, 2008 was \$9,500,000.

The bonds are limited obligations of the Public Facilities Authority, payable solely from payments to be made by the County and the City of Forsyth pursuant to an intergovernmental contract between the Public Facilities Authority, the County and the City of Forsyth. The 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 one percent special purpose local option sales and use tax (the "SPLOST"); however, the County's portion of the revenues from the SPLOST are not pledged to such payments or to secure the payment of the bonds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**General Obligation Bonds (Continued).** General obligation bonds debt service requirements to maturity are as follows at December 31, 2008:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ 269,630	\$ 269,630
2010	1,845,000	274,737	2,119,737
2011	1,900,000	214,761	2,114,761
2012	1,960,000	152,943	2,112,943
2013	2,020,000	89,204	2,109,204
2014	1,775,000	28,427	1,803,427
	<u>\$ 9,500,000</u>	<u>\$ 1,029,702</u>	<u>\$ 10,529,702</u>

**Revenue Bonds.** On October 16, 2003, the County issued Revenue Refunding and Improvement Bonds for Water and Sewerage Projects, Series 2003A, in the aggregate amount of \$13,705,000. The proceeds were used to defease the remaining outstanding Series 1998 Water and Sewerage Bonds. The bonds are due in annual installments ranging from \$460,000 to \$1,020,000, through November 1, 2028, plus interest at 3.0% to 5.0%. The outstanding balance of the revenue bonds as of December 31, 2008 was \$13,705,000.

Debt service requirements to maturity on the revenue bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 460,000	\$ 606,565	\$ 1,066,565
2010	475,000	592,765	1,067,765
2011	490,000	578,040	1,068,040
2012	505,000	561,503	1,066,503
2013	525,000	543,322	1,068,322
2014 - 2018	2,950,000	2,392,445	5,342,445
2019 - 2023	3,660,000	1,684,635	5,344,635
2024 - 2028	4,640,000	700,294	5,340,294
	<u>\$ 13,705,000</u>	<u>\$ 7,659,569</u>	<u>\$ 21,364,569</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Landfill Closure and Postclosure Costs.** State and federal laws and regulations require the County to place a final cover on its Strickland Loop Road Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste (2028), the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The amount reported as landfill closure and postclosure care liability of \$802,869 at December 31, 2008, represents the cumulative amount reported to date based on the use of 16.4% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$4,101,739 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1993, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

#### B. Discretely Presented Component Unit – Development Authority

The following is a summary of long-term debt activity for the Development Authority for the year ended December 31, 2008:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Development Authority</b>					
Revenue bonds	\$ 1,455,000	\$ -	\$ (1,345,000)	\$ 110,000	\$ 110,000
Note payable	<u>1,044,000</u>	<u>-</u>	<u>(1,044,000)</u>	<u>-</u>	<u>-</u>
Development Authority Long-term liabilities	<u>\$ 2,499,000</u>	<u>\$ -</u>	<u>\$ (2,389,000)</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

**Revenue Bonds.** The Development Authority of Monroe County has issued a series of revenue bonds to help the County fund various projects. The County has agreed to pay the Authority amounts equal to the principal and interest on bonds as payments become due. Revenue bonds outstanding at December 31, 2008, are as follows:

Series 1999A \$725,000 Development Authority of Monroe County Refunding Revenue Bonds, due in annual installments ranging from \$70,000 to \$90,000 through March 1, 2009, plus interest at 4.35%.	\$ 90,000
Series 1999B \$4,375,000 Development Authority of Monroe County Revenue Bonds (Public Building Project), due in annual installments ranging from \$15,000 to \$20,000 through March 1, 2009, plus interest at 6.75%.	20,000
	\$ 110,000

Debt service requirements to maturity on the revenue bonds are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2009	\$ 110,000	\$ 2,632	\$ 112,632

**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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

**Conduit Debt Obligations (Continued).** The original issuance amounts of bonds issued by the Development Authority as of December 31, 2008 for conduit debt are summarized below. The ending outstanding principal balances as of December 31, 2008 were not available.

For the Benefit of	Issuance Date	Original Principal
Oglethorpe Power Corporation	December 1, 2004	\$ 7,950,000
Oglethorpe Power Corporation	November 22, 2005	8,465,000
Oglethorpe Power Corporation	October 24, 2006	43,445,000
Oglethorpe Power Corporation	October 24, 2006	9,020,000
Georgia Power Company	July 20, 2006	48,720,000
Georgia Power Company	December 13, 2006	28,065,000
Oglethorpe Power Corporation	October 25, 2007	16,655,000
Industrial Developments International, L.P.	January 23, 2008	11,500,000
Georgia Power Company	October 25, 2008	83,515,000
Oglethorpe Power Corporation	December 16, 2008	19,275,000
		\$ 276,610,000

### NOTE 8. SHORT-TERM DEBT

The Development Authority issued a short-term note on May 10, 2007 in order to purchase land and a building. This note carried interest at 4.45% and was due on May 10, 2008. The note was paid in full during the current year.

The following is a summary of short-term debt transactions for the Development Authority for the year ended December 31, 2008:

	Beginning Balance	Additions	Reductions	Ending Balance
Short-term note	\$ 1,702,000	\$ -	\$ (1,702,000)	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2008, is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>		
	<u>General Fund</u>	<u>2008 SPLOST Fund</u>	<u>Water Fund</u>
General Fund	\$ -	\$ -	\$ 511,526
2008 SPLOST Fund	1,000	-	-
Water Fund	234	-	-
Landfill Fund	221,843	-	-
Nonmajor governmental funds	38,663	1,227,254	-
<b>Total</b>	<b>\$ 261,740</b>	<b>\$ 1,227,254</b>	<b>\$ 511,526</b>

  

<u>Receivable Fund</u>	<u>Payable Fund</u>		
	<u>Nonmajor governmental funds</u>	<u>Nonmajor business-type funds</u>	<u>Total</u>
General Fund	\$ 700,067	\$ 32,930	\$ 1,244,523
2008 SPLOST Fund	-	-	1,000
Water Fund	-	-	234
Landfill Fund	-	-	221,843
Nonmajor governmental funds	-	-	1,265,917
<b>Total</b>	<b>\$ 700,067</b>	<b>\$ 32,930</b>	<b>\$ 2,733,517</b>

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:**

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Nonmajor governmental funds</u>	<u>Total</u>
General Fund	\$ -	\$ 83	\$ 83
Water Fund	1,141,399	783,875	1,925,274
Landfill Fund	330,000	-	330,000
Nonmajor governmental funds	1,822,301	150	1,822,451
<b>Total</b>	<b>\$ 3,293,700</b>	<b>\$ 784,108</b>	<b>\$ 4,077,808</b>

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

During the year ended December 31, 2008, the County transferred capital assets with a net book value of \$14,140 from the Building Inspection Fund to the General Fund. This transfer is reflected in the Building Inspection Fund and in the governmental activities column in the government-wide financial statements.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### **NOTE 10. JOINT VENTURE**

Under Georgia law, the County is a participating member of the Middle Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended December 31, 2008, the County paid \$15,435 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RDC. Separate financial statements may be obtained from: Middle Georgia Regional Development Center, 175 C Emery Highway, Macon, Georgia 31217.

### **NOTE 11. DEFINED BENEFIT PENSION PLAN**

#### **Plan Description**

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Monroe County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

#### Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2008, (the most recent actuarial valuation date) are as follows:

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
<b><u>Derivation of Annual Pension Cost</u></b>		
Annual Required Contribution	\$ 891,078	\$ 738,051
Interest on Net Pension Obligation	437	439
Amortization of Net Pension Obligation	(461)	(463)
Annual Pension Cost	\$ 891,054	\$ 738,027

#### **Derivation of Net Pension Obligation**

Net Pension Obligation (Asset) as of Beginning of Prior Year	\$ 5,488
Annual Pension Cost for Prior Year	738,027
Actual Contributions to Plan for Prior Year	738,051
Increase in Net Pension Obligation (Asset)	(24)
Net Pension Obligation as Beginning of the Year	\$ 5,464

#### **Basis of Valuation**

Current Valuation Date	January 1, 2008
Annual Return on Invested Plan Assets	8.0%
Projected Annual Salary Increases	6.0%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	10

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Trend Information for The Plan						
Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed		Net Pension Obligation (Asset)	
1/1/08	\$ 891,054	\$ N/A	N/A	%	\$ 5,464	
1/1/07	738,027	738,051	100		5,488	
1/1/06	680,656	680,680	100		5,512	
1/1/05	610,751	539,939	88		(65,300)	
1/1/04	601,520	666,820	111		-	
1/1/03	568,195	568,195	100		-	

As of the most recent valuation date, January 1, 2008, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/08	\$ 10,730,553	\$ 12,686,846	\$ 1,956,293	84.6 %	\$ 5,639,289	34.7 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2008.

**NOTE 12. OTHER POSTEMPLOYMENT BENEFITS**

In accordance with GASB 45 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended December 31, 2008. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of December 31, 2008.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The County provides postretirement health care benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Monroe County Board of Commissioners. The only requirement is the employee must retire from the County. The benefits are offered until the retiree turns 65 and is eligible for Medicare. The County pays 50% of the premium and the employee must pay the remaining 50%. Currently four employees are enrolled in postretirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis. In 2008, the net cost of premiums for providing post-retirement benefits for retirees was \$16,482.

#### Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Health Care Plan as of January 1, 2008.

Active members	222
Retired members	4
	226

#### Contributions

The County contributed \$16,482 to the OPEB Health Care Plan in fiscal year 2008. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commission. The Commission established and may amend the funding policy for the OPEB Health Care Plan.

#### Schedule of Employer Costs and Contributions

Fiscal Year Beginning	Annual Required Contribution/ Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
1/1/08	\$ 171,648	\$ 16,482	10 %	\$ 155,166

As of the most recent valuation date, January 1, 2008, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/08	\$ -	\$ 1,500,268	\$ 1,500,268	- %	\$ 6,425,184	23.3 %

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 continued 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 plan in effect at January 1, 2008. The assumptions used in the January 1, 2008 actuarial valuation are as follows:

#### **Basis of Valuation**

Current Valuation Date	January 1, 2008
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	4.0%
Medical Cost Trend Rate	11.0% - 5.0%
Year of Ultimate Medical Cost Trend Rate	2016
Amortization Method	Level Percent of Pay (Open)
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.0%

### NOTE 13. RISK MANAGEMENT

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

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RISK MANAGEMENT (CONTINUED)

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 of \$237,000 at December 31, 2008 is based on requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Required disclosure representing the changes in the balances of claims liabilities during the years ended December 31, 2008 and 2007, respectively, are as follows:

	December 31,	
	2008	2007
Unpaid claims, beginning of fiscal year	\$ 332,000	\$ 154,637
Claims paid	1,879,874	1,899,074
Incurred claims	1,784,874	2,076,437
Unpaid claims, end of fiscal year	<u>\$ 237,000</u>	<u>\$ 332,000</u>

### NOTE 14. CONTINGENCIES AND COMMITMENTS

#### Grant Contingencies:

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

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 15. CHANGE IN REPORTING ENTITY**

For the fiscal year ending December 31, 2008, the County has combined the activity of the North Water Fund and the South Water Fund into one fund for the purpose of financial reporting. The single fund is referred to as the Water Fund.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**MONROE COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>(Overfunded) Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>(Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll</b>
01/01/08	\$ 10,730,553	\$ 12,686,846	\$ 1,956,293	84.6 %	\$ 5,639,289	34.7 %
01/01/07	9,731,795	11,522,443	1,790,648	84.5	5,292,244	33.8
01/01/06	8,852,064	11,033,284	2,181,220	80.2	5,032,892	43.3
01/01/05	8,189,516	10,448,930	2,259,414	78.4	4,958,705	45.6
01/01/04	7,314,273	9,363,039	2,048,766	78.1	4,502,396	45.5
01/01/03	6,186,009	8,160,142	1,974,133	75.8	4,294,078	46.0

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

**MONROE COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

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**Special Revenue Funds**

**Library Fund** – To account for costs of operating and maintaining the Monroe County Library. Financing is provided from general revenues of the County, fines, and contributions.

**Forfeited Funds** – To account for monies seized and ordered as forfeited by the courts. Monies are seized in drug related cases. All funds are expended by law enforcement personnel.

**Law Library Fund** – To account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

**Jail Fines Fund** – To account for monies received by the collection of a 10% add-on fine as allowed by state law to be used for construction, operating, and staffing the County jail.

**Drug Education Fund** – To account for the expenditure of monies from the County Drug Abuse Treatment and Education Fund. Financing is provided by the collection of an add-on fine as allowed by state law.

**E-911 Fund** – To account for the cost of operating and maintaining the Monroe County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the Monroe County E-911 system and by a transfer from the General Fund.

**C.A.R.E. Cottage Fund** – To account for the operation of the Monroe County Child Abuse Reporting Enforcement Cottage. Financing is provided by fines, grants, and contributions.

**Federal Forfeited Funds** – To account for monies seized and ordered as forfeited by the federal courts. Monies are seized in drug related cases. All funds are expended by law enforcement personnel.

**EMS Grant Fund** – To account for the receipt and expenditures of monies received from various grants and contributions for the Emergency Medical Services.

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

**Debt Service Funds**

**Tift College Fund** – To account for taxes levied to fund the principal and interest requirements on the bonds issued by the Development Authority to pay for a portion of the purchase price of the former Tift College campus. Financing is provided by a special County one percent sales and use tax.

**MONROE COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

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**Capital Projects Funds**

**2003 Water Capital Fund** – To account for the construction of water lines and sewerage lines within the County from resources provided by the 2003 special County one percent sales and use tax.

**2008 Water Capital Fund** – To account for the construction of water lines and sewerage lines within the County from resources provided by the 2008 special County one percent sales and use tax.

**Roads Fund** – To account for the improvements of public roads within the County from resources provided by a special County one percent sales and use tax.

**Fire Department** – To account for the construction of two fire stations and related capital equipment used in the operation of these facilities, including two fire trucks. Financing is provided by a special County one percent sales and use tax.

**Recreation Fund** – To account for capital improvements to the Monroe County Recreation Center. Financing is provided by a special County one percent sales and use tax.

**Youth Center Fund** – To account for the construction of a Youth Center. Financing is provided by a special County one percent sales and use tax.

**Public Safety Facilities Fund** – To account for capital improvements to the Monroe County public safety facilities. Financing is provided by a special County one percent sales and use tax.

**Courthouse Fund** – To account for capital improvements to the Monroe County Courthouse. Financing is provided by a special County one percent sales and use tax.

**Patrol Vehicles Fund** – To account for the acquisition of patrol vehicles for the Monroe County Sheriff's Office. Financing is provided by a special County one percent sales and use tax.

**Emergency Services Fund** – To account for capital improvements to the Monroe County Emergency Services. Financing is provided by a special County one percent sales and use tax.

**Animal Shelter Fund** – To account for the construction of an animal shelter in Monroe County. Financing is provided by a special County one percent sales and use tax.

**2003 SPLOST Capital Project Fund** – To account for revenues received on behalf of the City of Forsyth and the City of Culloden. Financing is provided by the 2003 special County one percent sales and use tax.

**Administration Building Fund** – To account for the acquisition, renovation and equipping of a County administrative building. Financing is provided by a special County one percent sales and use tax.

**Hospital Fund** – To account for capital improvements at the Monroe County Hospital. Financing is provided by a special County one percent sales and use tax.

**MONROE COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash	\$ 1,345,823	\$ -	\$ 2,232,864	\$ 3,578,687
Investments	84,995	-	-	84,995
Accounts receivable	36,419	-	-	36,419
Due from other governments	15,935	-	991,831	1,007,766
Due from other funds	38,663	-	1,227,254	1,265,917
Total assets	<u>\$ 1,521,835</u>	<u>\$ -</u>	<u>\$ 4,451,949</u>	<u>\$ 5,973,784</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 32,694	\$ -	\$ 218,038	\$ 250,732
Accrued liabilities	39,316	-	4,026	43,342
Due to other funds	336,202	-	363,865	700,067
Total liabilities	<u>408,212</u>	<u>-</u>	<u>585,929</u>	<u>994,141</u>
<b>FUND BALANCES</b>				
Unreserved	1,113,623	-	3,866,020	4,979,643
Total fund balances	<u>1,113,623</u>	<u>-</u>	<u>3,866,020</u>	<u>4,979,643</u>
Total liabilities and fund balances	<u>\$ 1,521,835</u>	<u>\$ -</u>	<u>\$ 4,451,949</u>	<u>\$ 5,973,784</u>

**MONROE COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Sales tax	\$ -	\$ -	\$ 4,861,511	\$ 4,861,511
Intergovernmental	63,176	-	323,409	386,585
Fines and forfeitures	504,672	-	-	504,672
Charges for services	361,947	-	-	361,947
Interest income	16,905	2,002	30,229	49,136
Miscellaneous	12,318	-	-	12,318
Total revenues	<u>959,018</u>	<u>2,002</u>	<u>5,215,149</u>	<u>6,176,169</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	287	287
Judicial	13,249	-	-	13,249
Public safety	1,283,680	-	-	1,283,680
Health and welfare	-	-	328,519	328,519
Culture and recreation	14,227	-	-	14,227
Housing and development	-	1,257,964	-	1,257,964
Capital outlay	-	-	2,824,720	2,824,720
Total expenditures	<u>1,311,156</u>	<u>1,257,964</u>	<u>3,153,526</u>	<u>5,722,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(352,138)</u>	<u>(1,255,962)</u>	<u>2,061,623</u>	<u>453,523</u>
<b>Other financing sources (uses):</b>				
Transfers in	453,317	854,956	514,178	1,822,451
Transfers out	(83)	-	(784,025)	(784,108)
Total other financing sources (uses)	<u>453,234</u>	<u>854,956</u>	<u>(269,847)</u>	<u>1,038,343</u>
Net change in fund balances	101,096	(401,006)	1,791,776	1,491,866
Fund balances, beginning of year	<u>1,012,527</u>	<u>401,006</u>	<u>2,074,244</u>	<u>3,487,777</u>
Fund balances, end of year	<u>\$ 1,113,623</u>	<u>\$ -</u>	<u>\$ 3,866,020</u>	<u>\$ 4,979,643</u>

**MONROE COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2008**

	<u>Library</u>	<u>Forfeited Funds</u>	<u>Law Library</u>	<u>Jail Fines</u>	<u>Drug Education</u>
<b>ASSETS</b>					
Cash	\$ 19,896	\$ 12,138	\$ 60,220	\$ 408,051	\$ 50,481
Investments	40,457	-	44,538	-	-
Accounts receivable	594	-	-	-	-
Due from other governments	-	-	-	1,099	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 60,947</u>	<u>\$ 12,138</u>	<u>\$ 104,758</u>	<u>\$ 409,150</u>	<u>\$ 50,481</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 5,607	\$ -	\$ 14,685	\$ 585
Accrued liabilities	-	-	-	-	1,310
Due to other funds	-	5,682	-	52,910	41,641
Total liabilities	<u>-</u>	<u>11,289</u>	<u>-</u>	<u>67,595</u>	<u>43,536</u>
<b>FUND BALANCES (DEFICIT)</b>					
Unreserved	60,947	849	104,758	341,555	6,945
Total fund balances (deficit)	<u>60,947</u>	<u>849</u>	<u>104,758</u>	<u>341,555</u>	<u>6,945</u>
Total liabilities and fund balances	<u>\$ 60,947</u>	<u>\$ 12,138</u>	<u>\$ 104,758</u>	<u>\$ 409,150</u>	<u>\$ 50,481</u>

<u>E-911</u>	<u>C.A.R.E. Cottage</u>	<u>Federal Forfeited Funds</u>	<u>EMS Grant</u>	<u>EMA Grant</u>	<u>Total Special Revenue Funds</u>
\$ 186,308	\$ 427,595	\$ 166,185	\$ 7,559	\$ 7,390	\$ 1,345,823
-	-	-	-	-	84,995
35,825	-	-	-	-	36,419
-	14,836	-	-	-	15,935
-	38,663	-	-	-	38,663
<u>\$ 222,133</u>	<u>\$ 481,094</u>	<u>\$ 166,185</u>	<u>\$ 7,559</u>	<u>\$ 7,390</u>	<u>\$ 1,521,835</u>
\$ 1,095	\$ 3,214	\$ 1,010	\$ -	\$ 6,498	\$ 32,694
33,216	4,790	-	-	-	39,316
186,308	21,419	19,106	6,883	2,253	336,202
<u>220,619</u>	<u>29,423</u>	<u>20,116</u>	<u>6,883</u>	<u>8,751</u>	<u>408,212</u>
1,514	451,671	146,069	676	(1,361)	1,113,623
<u>1,514</u>	<u>451,671</u>	<u>146,069</u>	<u>676</u>	<u>(1,361)</u>	<u>1,113,623</u>
<u>\$ 222,133</u>	<u>\$ 481,094</u>	<u>\$ 166,185</u>	<u>\$ 7,559</u>	<u>\$ 7,390</u>	<u>\$ 1,521,835</u>

**MONROE COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Library</u>	<u>Forfeited Funds</u>	<u>Law Library</u>	<u>Jail Fines</u>	<u>Drug Education</u>
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	4,924	14,532	31,048	235,839	52,694
Charges for services	-	-	-	-	-
Interest income	3,722	132	830	4,018	541
Miscellaneous	7,986	-	-	-	481
Total revenues	<u>16,632</u>	<u>14,664</u>	<u>31,878</u>	<u>239,857</u>	<u>53,716</u>
<b>Expenditures:</b>					
Current:					
Judicial	-	-	13,249	-	-
Public safety	-	13,934	-	156,835	76,892
Culture and recreation	14,227	-	-	-	-
Total expenditures	<u>14,227</u>	<u>13,934</u>	<u>13,249</u>	<u>156,835</u>	<u>76,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,405</u>	<u>730</u>	<u>18,629</u>	<u>83,022</u>	<u>(23,176)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,405	730	18,629	83,022	(23,176)
<b>Fund balances, beginning of year</b>	<u>58,542</u>	<u>119</u>	<u>86,129</u>	<u>258,533</u>	<u>30,121</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 60,947</u>	<u>\$ 849</u>	<u>\$ 104,758</u>	<u>\$ 341,555</u>	<u>\$ 6,945</u>

<u>E-911</u>	<u>C.A.R.E. Cottage</u>	<u>Federal Forfeited Funds</u>	<u>EMS Grant</u>	<u>EMA Grant</u>	<u>Total Special Revenue Funds</u>
\$ -	\$ 60,296	\$ -	\$ -	\$ 2,880	\$ 63,176
-	116,332	49,303	-	-	504,672
361,947	-	-	-	-	361,947
1,384	6,219	-	-	59	16,905
-	3,851	-	-	-	12,318
<u>363,331</u>	<u>186,698</u>	<u>49,303</u>	<u>-</u>	<u>2,939</u>	<u>959,018</u>
-	-	-	-	-	13,249
815,134	146,262	60,404	6,800	7,419	1,283,680
-	-	-	-	-	14,227
<u>815,134</u>	<u>146,262</u>	<u>60,404</u>	<u>6,800</u>	<u>7,419</u>	<u>1,311,156</u>
<u>(451,803)</u>	<u>40,436</u>	<u>(11,101)</u>	<u>(6,800)</u>	<u>(4,480)</u>	<u>(352,138)</u>
453,317	-	-	-	-	453,317
-	-	-	(83)	-	(83)
<u>453,317</u>	<u>-</u>	<u>-</u>	<u>(83)</u>	<u>-</u>	<u>453,234</u>
1,514	40,436	(11,101)	(6,883)	(4,480)	101,096
-	411,235	157,170	7,559	3,119	1,012,527
<u>\$ 1,514</u>	<u>\$ 451,671</u>	<u>\$ 146,069</u>	<u>\$ 676</u>	<u>\$ (1,361)</u>	<u>\$ 1,113,623</u>

**MONROE COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2008**

	<b>2003 Water Capital</b>	<b>2008 Water Capital</b>	<b>Roads</b>	<b>Fire</b>	<b>Recreation</b>	<b>Youth Center</b>
<b>ASSETS</b>						
Cash	\$ -	\$ 626,261	\$ 134,619	\$ 101,160	\$ 184,284	\$ 70,490
Due from other governments	-	203,151	303,550	-	126,561	-
Due from other funds	-	279,558	417,718	-	36,550	-
Total assets	<u>\$ -</u>	<u>\$ 1,108,970</u>	<u>\$ 855,887</u>	<u>\$ 101,160</u>	<u>\$ 347,395</u>	<u>\$ 70,490</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ -	\$ -	\$ 156,737	\$ -	\$ 10,290	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	1,166	209,336	56,841
Total liabilities	<u>-</u>	<u>-</u>	<u>156,737</u>	<u>1,166</u>	<u>219,626</u>	<u>56,841</u>
<b>FUND BALANCES</b>						
Unreserved	-	1,108,970	699,150	99,994	127,769	13,649
Total fund balances	<u>-</u>	<u>1,108,970</u>	<u>699,150</u>	<u>99,994</u>	<u>127,769</u>	<u>13,649</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,108,970</u>	<u>\$ 855,887</u>	<u>\$ 101,160</u>	<u>\$ 347,395</u>	<u>\$ 70,490</u>

<b>Public Safety Facilities</b>	<b>Courthouse</b>	<b>Patrol Vehicles</b>	<b>Emergency Services</b>	<b>Animal Shelter</b>	<b>2003 SPLOST</b>	<b>Administration Building</b>	<b>Hospital</b>	<b>Total Capital Project Funds</b>
\$ 58,485	\$ 148,160	\$ 76,826	\$ 63,436	\$ 130,421	\$ -	\$ 409,397	\$ 229,325	\$ 2,232,864
18,972	-	26,561	17,075	-	-	132,803	163,158	991,831
26,107	-	36,550	23,497	-	-	182,751	224,523	1,227,254
<u>\$ 103,564</u>	<u>\$ 148,160</u>	<u>\$ 139,937</u>	<u>\$ 104,008</u>	<u>\$ 130,421</u>	<u>\$ -</u>	<u>\$ 724,951</u>	<u>\$ 617,006</u>	<u>\$ 4,451,949</u>
\$ -	\$ 25,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,528	\$ 218,038
-	4,026	-	-	-	-	-	-	4,026
-	85,825	-	10,697	-	-	-	-	363,865
-	<u>115,334</u>	-	<u>10,697</u>	-	-	-	<u>25,528</u>	<u>585,929</u>
103,564	32,826	139,937	93,311	130,421	-	724,951	591,478	3,866,020
<u>103,564</u>	<u>32,826</u>	<u>139,937</u>	<u>93,311</u>	<u>130,421</u>	<u>-</u>	<u>724,951</u>	<u>591,478</u>	<u>3,866,020</u>
<u>\$ 103,564</u>	<u>\$ 148,160</u>	<u>\$ 139,937</u>	<u>\$ 104,008</u>	<u>\$ 130,421</u>	<u>\$ -</u>	<u>\$ 724,951</u>	<u>\$ 617,006</u>	<u>\$ 4,451,949</u>

**MONROE COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<b>2003 Water Capital</b>	<b>2008 Water Capital</b>	<b>Roads</b>	<b>Fire</b>	<b>Recreation</b>	<b>Youth Center</b>
<b>Revenues:</b>						
Sales tax	\$ -	\$ 1,107,408	\$ 1,654,701	\$ -	\$ 144,786	\$ -
Intergovernmental	-	-	223,409	-	100,000	-
Interest income	1,581	1,562	6,513	1,293	2,572	903
Total revenues	<u>1,581</u>	<u>1,108,970</u>	<u>1,884,623</u>	<u>1,293</u>	<u>247,358</u>	<u>903</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	1,626,642	-	315,660	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,626,642</u>	<u>-</u>	<u>315,660</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,581</u>	<u>1,108,970</u>	<u>257,981</u>	<u>1,293</u>	<u>(68,302)</u>	<u>903</u>
<b>Other financing sources (uses):</b>						
Transfers in	512,929	-	38	-	3	2
Transfers out	<u>(783,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(270,946)</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>3</u>	<u>2</u>
Net change in fund balances	(269,365)	1,108,970	258,019	1,293	(68,299)	905
<b>Fund balances (deficit), beginning of year</b>	<u>269,365</u>	<u>-</u>	<u>441,131</u>	<u>98,701</u>	<u>196,068</u>	<u>12,744</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 1,108,970</u>	<u>\$ 699,150</u>	<u>\$ 99,994</u>	<u>\$ 127,769</u>	<u>\$ 13,649</u>

<b>Public Safety Facilities</b>	<b>Courthouse</b>	<b>Patrol Vehicles</b>	<b>Emergency Services</b>	<b>Animal Shelter</b>	<b>2003 SPLOST</b>	<b>Administration Building</b>	<b>Hospital</b>	<b>Total Capital Project Funds</b>
\$ 103,419	\$ -	\$ 144,786	\$ 93,077	\$ -	\$ -	\$ 723,932	\$ 889,402	\$ 4,861,511
-	-	-	-	-	-	-	-	323,409
145	9,995	1,121	283	1,685	339	1,019	1,218	30,229
<u>103,564</u>	<u>9,995</u>	<u>145,907</u>	<u>93,360</u>	<u>1,685</u>	<u>339</u>	<u>724,951</u>	<u>890,620</u>	<u>5,215,149</u>
-	-	-	-	-	287	-	-	287
-	-	-	-	-	-	-	328,519	328,519
-	750,850	131,568	-	-	-	-	-	2,824,720
-	<u>750,850</u>	<u>131,568</u>	-	-	<u>287</u>	-	<u>328,519</u>	<u>3,153,526</u>
103,564	#####	14,339	93,360	1,685	52	724,951	562,101	2,061,623
-	8	5	1,190	1	-	-	2	514,178
-	-	-	-	-	(150)	-	-	(784,025)
-	8	5	1,190	1	(150)	-	2	(269,847)
103,564	#####	14,344	94,550	1,686	(98)	724,951	562,103	1,791,776
-	773,673	125,593	(1,239)	128,735	98	-	29,375	2,074,244
<u>\$ 103,564</u>	<u>\$ 32,826</u>	<u>\$ 139,937</u>	<u>\$ 93,311</u>	<u>\$ 130,421</u>	<u>\$ -</u>	<u>\$ 724,951</u>	<u>\$ 591,478</u>	<u>\$ 3,866,020</u>

**MONROE COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1997 ISSUE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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<u>Project Description</u>	<u>Original and Revised Estimated Cost</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Fire Department Capital Improvements	\$ 500,000	\$ 407,195	\$ -	\$ 407,195
Youth Center Facility	600,000	600,000	-	600,000
Courthouse Capital Improvements	250,000	250,000	-	250,000
Total	<u>\$ 1,350,000</u>	<u>\$ 1,257,195</u>	<u>\$ -</u>	<u>\$ 1,257,195</u>

**MONROE COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2003 ISSUE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Recreation Facilities and Equipment	\$ 400,000	\$ 150,518	\$ 215,660	\$ 366,178
Courthouse Capital Improvements	1,000,000	163,045	750,850	913,895
Patrol Vehicles	625,000	426,762	131,568	558,330
Emergency Services Equipment	180,000	264,090	-	264,090
Animal Shelter Facility and Equipment	145,000	10	-	10
Tift College Bonds Debt Service	6,300,000	5,164,635	403,008	5,567,643
Roads, Streets, and Bridges	4,750,000	3,893,102	856,898	4,750,000
Construction of Water and Sewer Lines	4,750,000	4,600,334	270,946	4,871,280
Hospital Capital Improvements	250,000	191,665	58,335	250,000
Youth Center Facility	200,000	200,000	-	200,000
Total	<u>\$ 18,600,000</u>	<u>\$ 15,054,161</u>	<u>\$ 2,687,265</u>	<u>\$ 17,741,426</u>

**MONROE COUNTY, GEORGIA**

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

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Recreation Facilities and Equipment	\$ 700,000	\$ -	\$ -	\$ -
Administrative Facility and Equipment	3,500,000	-	-	-
Patrol Vehicles	700,000	-	-	-
Emergency Services Equipment	450,000	-	-	-
Public Safety Facility and Equipment	500,000	-	-	-
Roads, Streets, and Bridges	8,000,000	-	546,335	546,335
Construction of Water and Sewer Lines	5,354,000	-	-	-
Hospital Capital Improvements	4,300,000	-	270,184	270,184
City of Forsyth	4,200,000	-	868,585	868,585
City of Culloden	500,000	-	103,250	103,250
Total	<u>\$ 28,204,000</u>	<u>\$ -</u>	<u>\$ 1,788,354</u>	<u>\$ 1,788,354</u>

## **MONROE COUNTY, GEORGIA AGENCY FUNDS**

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**Tax Commissioner** – To account for the collection and payment to Monroe County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Monroe County and other taxing units.

**Clerk of Superior Court** – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Probate Court** – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Magistrate Court** – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Sheriff** – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

MONROE COUNTY, GEORGIA

COMBINING BALANCE SHEET  
AGENCY FUNDS  
DECEMBER 31, 2008

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<b>ASSETS</b>	<b>Tax Commissioner</b>	<b>Clerk of Superior Court</b>	<b>Probate Court</b>	<b>Magistrate Court</b>	<b>Sheriff</b>	<b>Total</b>
Cash	\$ 2,084,018	\$ 175,888	\$ 122,324	\$ 16,580	\$ 306,814	\$ 2,705,624
Taxes receivable	<u>45,523,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,523,730</u>
Total assets	<u>\$ 47,607,748</u>	<u>\$ 175,888</u>	<u>\$ 122,324</u>	<u>\$ 16,580</u>	<u>\$ 306,814</u>	<u>\$ 48,229,354</u>
<b>LIABILITIES</b>						
Due to others	\$ 2,084,018	\$ 175,888	\$ 122,324	\$ 16,580	\$ 306,814	\$ 2,705,624
Uncollected taxes	<u>45,523,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,523,730</u>
Total liabilities	<u>\$ 47,607,748</u>	<u>\$ 175,888</u>	<u>\$ 122,324</u>	<u>\$ 16,580</u>	<u>\$ 306,814</u>	<u>\$ 48,229,354</u>

## **COMPLIANCE SECTION**

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CERTIFIED PUBLIC ACCOUNTANTS, LLC

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

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 as of and for the year ended December 31, 2008, which collectively comprise Monroe County, Georgia's basic financial statements, and have issued our report thereon dated June 23, 2009. We did not audit the financial statements of the Monroe County Department of Public Health. Those financial statements were audited by other auditors whose reports have been furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Monroe County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2008-1 through 2008-10 to be significant deficiencies in internal control over financial reporting.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1 through 2008-4 to be material weaknesses.

**Compliance and Other Matters**

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

We also noted certain additional matters that we reported to the management of Monroe County, Georgia in a separate letter dated June 23, 2009.

Monroe County, Georgia's responses to the audit findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Monroe County, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and the Board of Commissioners of Monroe County, Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 23, 2009

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting: Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

#### Federal Awards

There was not an audit of major federal award programs as of December 31, 2008 due to the total amount expended being less than \$500,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### **2008-1. Revenue Cycle Transactions**

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

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended December 31, 2008.

Context: We addressed this matter with County officials, who were able to determine all appropriate receivable and revenue entries that should be recorded as of December 31, 2008.

Effect: Audit adjustments to increase taxes receivable in the amount of \$4,017,244, decrease accounts receivable in the amount of \$91,997, increase due from other governments in the amount of \$13,085, increase due from component unit in the amount of \$113,789, increase deferred revenues in the amount of \$4,247,790, decrease revenues in the amount of \$309,458, and decrease expenditures in the amount of \$113,789 were required to be recorded in the General Fund as of December 31, 2008. An audit adjustment to decrease accounts receivable and revenues in the amount of \$33,010 was required to be recorded in the Water Fund as of December 31, 2008. Additionally, audit adjustments to increase due from other governments in the amount of \$891,830, increase due from other funds in the amount of \$1,227,254, and increase revenues in the amount of \$2,119,084 were required to be recorded in the nonmajor funds as of December 31, 2008.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### 2008-1. Revenue Cycle Transactions (Continued)

Recommendation: We recommend the County begin recognizing and recording all necessary revenue adjustments at the end of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will begin recognizing and recording all necessary receivable and revenue adjustments as appropriate in future years.

#### 2008-2. Payable Cycle Transactions

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not appropriately address the above criteria as it relates to accounts payable items that existed as of December 31, 2008 within the Landfill Fund and nonmajor funds.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded as of December 31, 2008.

Effect: The following audit adjustments were required to be recorded as of December 31, 2008: 1) an adjustment to increase accrued liabilities and expenses in the amount of \$1,889 in the Landfill Fund; and 2) an adjustment to decrease accounts payable in the amount of \$42,890, decrease due to other governments in the amount of \$139,936, decrease revenues in the amount of \$30, and decrease expenditures in the amount of \$182,856 in the nonmajor funds.

Recommendation: We recommend the County begin recognizing and recording accounts payable as required, and record the necessary adjustments to reflect the accounts payable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to improve our accounts payable reconciliation process in future years for year end and month end reporting purposes.

#### 2008-3. Capital Assets (Component Unit - Development Authority)

Criteria: The Development Authority, included in the government-wide financial statements, uses the economic resources measurement focus, which requires the Development Authority to report all assets and liabilities, including capital assets.

Condition: The Development Authority did not properly record the current year depreciation expense of its capital assets. Additionally, the sale of land was not properly recorded.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### **2008-3. Capital Assets (Component Unit - Development Authority) (Continued)**

Context: See above condition.

Effect: An adjustment to decrease capital assets in the amount of \$257,905, decrease gain on sale of asset in the amount of \$185,649, and increase expenses in the amount of \$72,256 was required to be recorded by the Development Authority as of December 31, 2008.

Recommendation: We recommend the Development Authority record all capital asset transactions, including depreciation expense appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record all capital asset transactions appropriately as they occur during the year.

#### **2008-4. Debt Transactions (Component Unit - Development Authority)**

Criteria: The Development Authority, included in the government-wide financial statements, uses the economic resources measurement focus, which requires the Development Authority to report all assets and liabilities, including long-term debt.

Condition: The Development Authority did not appropriately record all debt transactions, primarily those adjustments related to recording bond payments and accrued interest.

Context: See above condition.

Effect: An audit adjustment to decrease bonds payable in the amount of \$1,240,000, decrease accrued interest in the amount of \$61,586, increase revenues in the amount of \$1,219,369, and decrease expenses in the amount of \$82,217 was required to be recorded by the Development Authority as of December 31, 2008.

Recommendation: We recommend the Development Authority record all debt transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record all debt transactions appropriately as they occur during the year.

#### **2008-5. Management of Inventory Accounts**

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

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### **2008-5. Management of Inventory Accounts (Continued)**

Condition: The County did not properly record inventory transactions based on the above criteria as of December 31, 2008.

Context: See above condition.

Effect: An audit adjustment to increase inventory and decrease expenses in the amount of \$19,830 was required to be recorded in the Water Fund as of December 31, 2008.

Recommendation: We recommend the County record all inventory transactions based on the above criteria.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record all inventory based on the above criteria.

#### **2008-6. Capital Assets**

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital assets in the Water Fund during the year ended December 31, 2008.

Context: See above condition.

Effect: Audit adjustments to increase capital assets by \$19,905, increase accumulated depreciation by \$28,190 and increase expenses in the amount of \$8,285 were required to be reported in the Water Fund as of December 31, 2008.

Recommendation: We recommend the County record all capital asset transactions, including depreciation expense appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will record all capital asset transactions appropriately as they occur during the year.

#### **2008-7. Recording of Cash Activity (Component Unit - Development Authority)**

Criteria: Internal controls should be in place to ensure all cash activity of the Development Authority is recorded in the general ledger.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### **2008-7. Recording of Cash Activity (Component Unit - Development Authority) (Continued)**

Condition: The Development Authority did not appropriately record all activity in its general ledger for its cash accounts and certificates of deposit during the year ended December 31, 2008.

Context: See above condition.

Effect: Audit adjustments to decrease cash in the amount of \$1,053, increase interest receivable in the amount of \$16,364, and increase revenues in the amount of \$15,311 were required to be recorded by the Development Authority as of December 31, 2008.

Recommendation: We recommend the Development Authority begin recording this activity on a monthly basis to ensure all Development Authority activity is accounted for.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will begin recording this activity on a monthly basis.

#### **2008-8. Payable Cycle Transactions (Component Unit - Development Authority)**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The Development Authority did not properly record its accounts payable entries as of December 31, 2008.

Context: See above condition.

Effect: An audit adjustment to increase accounts payable and expenses in the amount of \$25,641 was required to be recorded by the Development Authority as of December 31, 2008.

Recommendation: We recommend the Development Authority carefully review the year-end closing entries in order to ensure the related journal entries are complete. Additionally, the Development Authority should ensure all ending payable balances are accurate at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur. The Development Authority will carefully review all year-end closing entries to determine all payables and expenditures are properly recorded at year-end.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### **2008-9. Maintenance of Records for Agency Fund Accounts**

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

Condition: During our audit of the various elected officials as of December 31, 2008, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed on certain accounts maintained at the offices of the Probate Court and Tax Commissioner.

Context: At the office of the Tax Commissioner, we noted approximately \$19,700 of excess cash in the operating account. At the office of the Probate Court, we noted approximately \$15,500 of excess cash in the Probate Court accounts.

Effect: By not reconciling the cash balances on hand to the supporting detail listings on a monthly basis, differences could occur and go undetected by the elected officials.

Cause: The excess at the offices of the Tax Commissioner and Probate Court was caused by funds being held during prior years, even though the current funds received are all remitted to the proper authorities.

Recommendation: The County should maintain adequate records including detailed listings to support the balances held in the agency funds. The monthly cash balances should be reconciled to these listings on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work to determine to whom all cash balances are owed, maintain these listings, and reconcile them to the cash balances on hand on a monthly basis.

#### **2008-10. Segregation of Duties**

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

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Board of Commissioners, Water Department, and Probate Court.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2008

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### 2008-10. Segregation of Duties (Continued)

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

Effect: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

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

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated between employees.

Views of Responsible Officials and Planned Corrective Action: We concur. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2008

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### **2007-1. Revenue Cycle Transactions**

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

Condition: The County did not appropriately record all transactions involving the County's receivable and revenue accounts during the year ended December 31, 2007.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-1.

### **2007-2. Accounts Payable Liabilities**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not appropriately address the above criteria as it relates to accounts payable items that existed as of December 31, 2007 within the General Fund, North Water Fund, South Water Fund, Landfill Fund, and nonmajor funds.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-2.

### **2007-3. Capital Assets**

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital assets in the North Water Fund, South Water Fund, and Landfill Fund during the year ended December 31, 2007.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-6.

### **2007-4. Recording of Cash Activity (Component Unit - Development Authority)**

Criteria: Internal controls should be in place to ensure all cash activity of the Development Authority is recorded in the general ledger.

Condition: The Development Authority did not record any activity in its general ledger for its certificates of deposit during the year ended December 31, 2007.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-7.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2008

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### **2007-5. Capital Assets (Component Unit - Development Authority)**

Criteria: The Development Authority, included in the government-wide financial statements, uses the economic resources measurement focus, which requires the Development Authority to report all assets and liabilities, including capital assets.

Condition: The Development Authority did not properly record the current year depreciation expense of its capital assets. Additionally, the sale of land was not properly recorded.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-3.

### **2007-6. Debt Transactions (Component Unit - Development Authority)**

Criteria: The Development Authority, included in the government-wide financial statements, uses the economic resources measurement focus, which requires the Development Authority to report all assets and liabilities, including long-term debt.

Condition: The Development Authority did not appropriately record all debt transactions, primarily those adjustments related to recording bond payments and accrued interest.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-4.

### **2007-7. Accounts Payable Liabilities (Component Unit - Development Authority)**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The Development Authority did not properly reverse its prior year accounts payable entries.

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2008 and is not included as a finding for the current year.

### **2007-8. Maintenance of Records for Agency Fund Accounts**

Criteria: Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

# MONROE COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2008

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### **2007-8. Maintenance of Records for Agency Fund Accounts (Continued)**

Condition: During our audit of the various elected officials as of December 31, 2008, we noted the detail listings of amounts payable to (or on behalf of) various parties were not being reconciled to the respective recorded cash balances on a monthly basis. This situation was observed on certain accounts maintained at the office of the Probate Court.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-9.

### **2007-9. Segregation of Duties**

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

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Board of Commissioners, Water Department, and Probate Court.

Auditee Response/Status: Unresolved. This is included in current finding number 2008-10.

### **2007-10. Collateralization of Deposits**

Criteria: Policies should be in place requiring all financial institutions holding cash deposits to be properly insured and, or collateralized at any and all times of the fiscal year.

Condition: At December 31, 2007, the deposits of the County held at one financial institution in the amount of \$159,854 were not fully collateralized or insured in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c).

Auditee Response/Status: The above finding was corrected during the year ended December 31, 2008 and is not included as a finding for the current year.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON LOCAL ASSISTANCE GRANTS**

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

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Monroe County, Georgia's compliance during the year ended December 31, 2008, with the requirement to use grant proceeds solely for the purpose or purposes for which the grants were made for Local Assistance Grants #02-C-L-503 and #08-C-L-301. Management is responsible for Monroe County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Monroe County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Monroe County, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Monroe County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Monroe County, Georgia complied with the aforementioned requirement for the year ended December 31, 2008, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Monroe County, Georgia Board of Commissioners and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 23, 2009

**State of Georgia Grant Certification Form**  
**Local Government Recipient (with no subrecipient)**

LINE

A	Local Government	Monroe County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	02-C-L-503
D	Grant Title	Local Assistance Grant
E	Grant Award Date	07/02/01
F	Grant Amount	\$25,000.00

	COLUMN 1 Current Year Activity	COLUMN 2 Cumulative Grant Activity
G	For the Year Ended: December 31, 2008	Through the Year Ended: December 31, 2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$18,461.00	
I	Grant Receipts or Revenue Recognized \$0.00	\$25,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$11,045.00	\$17,584.00
K	Disbursements or Expenditures for Audit Fees \$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$7,416.00	\$7,416.00

**Certification of Local Government Officials**

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official \_\_\_\_\_ Date \_\_\_\_\_

Signature of Chief Financial Officer \_\_\_\_\_ Date \_\_\_\_\_

**State of Georgia Grant Certification Form**  
**Local Government Recipient (with no subrecipient)**

LINE

A	Local Government	Monroe County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	08-C-L-301
D	Grant Title	Local Assistance Grant
E	Grant Award Date	08/16/07
F	Grant Amount	\$20,000.00

	COLUMN 1 Current Year Activity	COLUMN 2 Cumulative Grant Activity
G	For the Year Ended: December 31, 2008	Through the Year Ended: December 31, 2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$15,000.00	
I	Grant Receipts or Revenue Recognized \$0.00	\$15,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00	\$0.00
K	Disbursements or Expenditures for Audit Fees \$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$15,000.00	\$15,000.00

**Certification of Local Government Officials**

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official \_\_\_\_\_ Date \_\_\_\_\_

Signature of Chief Financial Officer \_\_\_\_\_ Date \_\_\_\_\_