

MONTGOMERY COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

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

MONTGOMERY COUNTY, GEORGIA

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2022 AND
INDEPENDENT AUDITOR'S REPORT**

MONTGOMERY COUNTY, GEORGIA

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June 1, 2023

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Montgomery County, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Montgomery County, Georgia as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows and the respective budgetary comparison for the General Fund and major special revenue fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Montgomery County Board of Health, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

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

Adoption of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*

As discussed in Note 1 to the financial statements, as of January 1, 2022, Montgomery County, Georgia adopted new accounting guidance for leases as a result of the adoption of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Montgomery County, Georgia's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Montgomery County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery County, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County, Georgia's basic financial statements. The combining nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, custodial fund statements, the schedule of project expenditures with special sales tax proceeds, the Community Development Block Grant Program schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, custodial fund statements, the schedule of project expenditures with special sales tax proceeds, the Community Development Block Grant Program schedules, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, custodial fund statements, the schedule of project expenditures with special sales tax proceeds, the Community Development Block Grant Program schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2023 on our consideration of Montgomery 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Montgomery County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County, Georgia's internal control over financial reporting and compliance.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

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BASIC FINANCIAL STATEMENTS

MONTGOMERY COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government		Board of
	Governmental		Health
	Activities		Health
Assets			
Cash and Cash Equivalents	\$ 7,175,531	\$	636,804
Receivables, Net of Allowance			
Taxes	523,692		-
Accounts	23,859		-
Due from Other Governments	198,496		5,435
Prepaid Asset	45,140		-
Inventory	13,092		-
Net OPEB Asset	-		17,799
Capital Assets			
Nondepreciable	677,609		-
Depreciable, Net	8,724,314		66
Total Capital Assets	<u>9,401,923</u>		<u>66</u>
Total Assets	<u>17,381,733</u>		<u>660,104</u>
Deferred Outflows of Resources			
Deferred Outflows of Resources			
Pensions	-		70,122
OPEB	-		15,702
Total Deferred Outflow of Resources	<u>-</u>		<u>85,824</u>
Liabilities			
Accounts Payable	160,415		-
Accrued Interest	2,267		-
Accrued Salaries and Benefits	74,648		-
Due to Other Governments	102,992		-
Unearned Revenue	531,553		-

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(CONTINUED)

	Primary Government Governmental Activities	Board of Health
Liabilities (Continued)		
Noncurrent Liabilities		
Due within One Year		
Compensated Absences Payable	\$ -	\$ 4,215
Lease Liability	46,229	-
Finance Purchase Obligation	278,916	-
Notes Payable	60,259	-
Due in More than One Year		
Net Pension Liability	-	117,483
Compensated Absences Payable	-	16,862
Lease Liability	274,389	-
Finance Purchase Obligation	423,689	-
Notes Payable	179,296	-
Total Liabilities	2,134,653	138,560
Deferred Inflows of Resources		
Deferred Inflows of Resources		
Pensions	-	108,582
OPEB	-	61,078
Total Deferred Inflows of Resources	-	169,660
Net Position		
Net Investment in Capital Assets	8,139,145	66
Restricted		
Capital Outlay	2,063,574	-
Law Enforcement	40,105	-
Court Programs	71,235	-
Other Purposes	113,704	124,677
Unrestricted	4,819,317	312,965
Total Net Position	\$ 15,247,080	\$ 437,708

See accompanying notes which are an integral part of these financial statements.

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MONTGOMERY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Board of Health
Primary Government						
Governmental Activities						
General Government	\$ 1,604,763	\$ 191,956	\$ 29,018	\$ -	\$ (1,383,789)	
Judiciary	469,216	18,902	16,655	-	(433,659)	
Public Safety	2,158,259	346,309	74,461	22,631	(1,714,858)	
Public Works	2,369,044	-	21,227	434,761	(1,913,056)	
Health and Welfare	224,659	2,606	96,812	-	(125,241)	
Culture and Recreation	154,075	6,744	-	-	(147,331)	
Housing and Development	1,383,101	-	1,248,226	-	(134,875)	
Interest on Long-Term Debt	29,181	-	-	-	(29,181)	
Total Governmental Activities	8,392,298	566,517	1,486,399	457,392	(5,881,990)	
Total Primary Government	\$ 8,392,298	\$ 566,517	\$ 1,486,399	\$ 457,392	(5,881,990)	
Component Units						
Board of Health	\$ 311,267	\$ 132,376	\$ 238,822	\$ -	\$ 59,931	\$ 59,931
Total Component Units	\$ 311,267	\$ 132,376	\$ 238,822	\$ -		
General Revenues						
Property Tax					3,676,033	-
Sales Tax					1,831,688	-
Other Tax					396,255	-
Interest Revenue					8,681	-
Other					127,145	61,124
Gain on Sale of Capital Assets					213,753	-
Total General Revenues					6,253,555	61,124
Change in Net Position					371,565	121,055
Net Position - Beginning of Year					14,875,515	316,653
Net Position - End of Year					\$ 15,247,080	\$ 437,708

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	ARPA Fund	2021 SPLOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 4,401,161	\$ 531,553	\$ 370,109	\$ 1,482,177	\$ 390,531	\$ 7,175,531
Receivables, Net of Allowance						
Taxes	523,692	-	-	-	-	523,692
Accounts	-	-	-	-	23,859	23,859
Due from Other Governments	47,848	-	86,510	-	64,138	198,496
Due from Other Funds	-	-	22,631	-	4	22,635
Inventory	13,092	-	-	-	-	13,092
Prepaid Items	45,140	-	-	-	-	45,140
Total Assets	\$ 5,030,933	\$ 531,553	\$ 479,250	\$ 1,482,177	\$ 478,532	\$ 8,002,445
Liabilities						
Accounts Payable	\$ 146,046	\$ -	3,750	\$ -	\$ 10,619	\$ 160,415
Accrued Expenditures	63,303	-	-	-	11,345	74,648
Due to Other Funds	-	-	-	22,631	4	22,635
Due to Other Governments	-	-	102,992	-	-	102,992
Unearned Revenue	-	531,553	-	-	-	531,553
Total Liabilities	209,349	531,553	106,742	22,631	21,968	892,243
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	240,875	-	-	-	-	240,875
Total Deferred Inflows of Resources	240,875	-	-	-	-	240,875
Fund Balances						
Nonspendable	58,232	-	-	-	-	58,232
Restricted	-	-	372,508	1,459,546	456,564	2,288,618
Unassigned	4,522,477	-	-	-	-	4,522,477
Total Fund Balances	4,580,709	-	372,508	1,459,546	456,564	6,869,327
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,030,933	\$ 531,553	\$ 479,250	\$ 1,482,177	\$ 478,532	\$ 8,002,445

See accompanying notes which are an integral part of these financial statements.

**MONTGOMERY COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

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

Total Fund Balances - Governmental Funds	\$ 6,869,327
Capital Assets and Lease Assets	
Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the Assets	20,191,843
Accumulated Depreciation	(11,101,170)
Lease Assets	332,000
Accumulated Amortization	(20,750)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	240,875
Long-Term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(2,267)
Lease Liability	(320,618)
Finance Purchase Obligation	(702,605)
Notes Payable	(239,555)
Total Net Position of Governmental Activities	\$ 15,247,080

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY GEORGIA
STATEMENT OF REVENUES, EXPENDIURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	ARPA Fund	2021 SPLOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Property Tax	\$ 3,731,358	\$ -	\$ -	\$ -	\$ -	\$ 3,731,358
Sales Tax	543,618	-	975,395	-	312,675	1,831,688
Other Taxes	396,255	-	-	-	-	396,255
License and Permits	14,811	-	-	-	-	14,811
Intergovernmental	132,960	1,248,226	22,631	434,181	105,212	1,943,210
Fines and Forfeitures	156,504	-	-	-	24,190	180,694
Charges for Services	215,274	-	-	-	155,739	371,013
Interest Earnings	6,920	-	360	1,545	436	9,261
Other Revenues	57,852	-	-	12,902	56,391	127,145
Total Revenues	5,255,552	1,248,226	998,386	448,628	654,643	8,605,435
Expenditures						
Current						
General Government	1,058,329	-	13,228	61,242	-	1,132,799
Judicial	469,216	-	-	-	-	469,216
Public Safety	1,546,295	-	27,005	6,223	386,170	1,965,693
Public Works	915,601	-	43,677	152,230	243,465	1,354,973
Health and Welfare	53,206	-	-	-	154,656	207,862
Culture and Recreation	118,485	-	14,605	-	7,472	140,562
Housing and Development	41,514	1,250,000	-	-	91,587	1,383,101
Intergovernmental	-	-	407,130	-	-	407,130
Debt Service						
Principal	20,085	-	272,847	-	241,225	534,157
Interest	4,810	-	24,371	-	-	29,181
Capital Outlay	-	-	758,316	184,587	-	942,903
Total Expenditures	4,227,541	1,250,000	1,561,179	404,282	1,124,575	8,567,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,028,011	(1,774)	(562,793)	44,346	(469,932)	37,858

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY GEORGIA
STATEMENT OF REVENUES, EXPENDIURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

	General Fund	ARPA Fund	2021 SPLOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Lease Liability Proceeds	-	-	332,000	-	-	332,000
Finance Purchase Obligation Proceeds	33,000	-	280,708	-	-	313,708
Proceeds on Sale of Assets	-	-	-	73,179	260,000	333,179
Transfers from Other Funds	60,000	1,774	-	400,000	375,692	837,466
Transfers to Other Funds	(777,466)	-	-	-	(60,000)	(837,466)
Total Other Financing Sources (Uses)	(684,466)	1,774	612,708	473,179	575,692	978,887
Net Change in Fund Balances	343,545	-	49,915	517,525	105,760	1,016,745
Fund Balance - Beginning of Year	4,237,164	-	322,593	942,021	350,804	5,852,582
Fund Balance - End of Year	\$ 4,580,709	\$ -	\$ 372,508	\$ 1,459,546	\$ 456,564	\$ 6,869,327

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Net Change in Fund Balance - Total Governmental Funds **\$ 1,016,745**

Capital Assets and Lease Assets

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 / amortization expense.

Total Capital Outlays	665,740
Total Depreciation Expense	(1,333,601)
Total Lease Asset Additions	332,000
Total Amortization Expense	(20,750)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(119,426)
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Long-Term Debt

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items

Issuance of Lease Liability	(332,000)
Issuance of Finance Purchase Obligation	(313,708)

Under the modified accrual basis of accounting used in governmental funds, expenditure are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows

Accrued Interest	(2,267)
Lease Liability	11,382
Finance Purchase Obligation	222,570
Notes Payable	300,205

Revenues

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(55,325)
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Change in Net Position of Governmental Activities	\$ 371,565
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See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 3,357,241	\$ 3,402,531	\$ 3,731,358	\$ 328,827
Sales Taxes	418,500	417,000	543,618	126,618
Insurance Premium Tax	380,000	380,000	378,535	(1,465)
Other Taxes	15,000	17,720	17,720	-
Licenses and Permits	6,000	14,820	14,811	(9)
Charges for Services	82,400	130,015	215,274	85,259
Fines and Forfeitures	213,000	130,819	156,504	25,685
Intergovernmental	69,163	124,128	132,960	8,832
Investment Earnings	4,000	4,000	6,920	2,920
Other Income	38,713	10,230	57,852	47,622
Total Revenues	4,584,017	4,631,263	5,255,552	624,289
Expenditures				
Current				
General Government				
Board of Commissioners	57,350	57,350	54,458	2,892
Elections & Registration	94,163	99,663	99,329	334
Finance Administration	330,020	330,020	325,499	4,521
Tax Commissioner	190,650	190,650	189,767	883
Tax Assessor	192,608	192,608	192,128	480
General Government Building	187,840	197,148	197,148	-
Total General Government	1,052,631	1,067,439	1,058,329	9,110
Judicial				
Superior Court	53,059	54,844	54,844	-
Clerk of Superior Court	149,388	149,388	128,906	20,482
Magistrate Court	97,450	98,028	98,028	-
Probate Court	130,180	130,180	124,835	5,345
Legal	9,900	15,377	15,377	-
Public Defender	22,500	23,700	21,904	1,796
District Attorney's Office	17,500	25,322	25,322	-
Total General Government	479,977	496,839	469,216	27,623

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Safety				
Sheriff	1,138,135	1,151,053	1,117,929	33,124
Rural Fire Protection	131,000	131,166	131,166	-
Emergency Medical Services	229,100	230,248	230,248	-
Emergency Management	58,477	58,477	54,110	4,367
Coroner	13,531	13,531	12,842	689
Total Public Safety	1,570,243	1,584,475	1,546,295	38,180
Public Works				
Road Department	655,784	655,784	608,099	47,685
Solid Waste	283,540	307,502	307,502	-
Total Public Works	939,324	963,286	915,601	47,685
Health and Welfare				
Health Center	48,206	48,206	48,206	-
Aid to Dependent Children	5,000	5,000	5,000	-
Total Health and Welfare	53,206	53,206	53,206	-
Culture and Recreation				
Forest Resources	15,650	15,863	15,863	-
Recreation	65,350	81,622	81,622	-
Library	21,000	21,000	21,000	-
Total Culture and Recreation	102,000	118,485	118,485	-
Housing and Development				
County Extension	66,030	66,030	41,514	24,516
Total Housing and Development	66,030	66,030	41,514	24,516
Debt Service				
Principal	17,846	20,085	20,085	-
Interest	4,810	4,810	4,810	-
Total Debt Service	22,656	24,895	24,895	-
Total Expenditures	4,286,067	4,374,655	4,227,541	147,114

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Excess (Deficiency) Revenues Over Expenditures	297,950	256,608	1,028,011	771,403
Other Financing Sources (Uses)				
Finance Purchase Obligation Proceeds	-	-	33,000	(33,000)
Transfer In	60,000	60,000	60,000	-
Transfer Out	(357,950)	(777,466)	(777,466)	-
Total Other Financing Sources (Uses)	(297,950)	(717,466)	(684,466)	(33,000)
Net Change in Fund Balance	-	(460,858)	343,545	738,403
Fund Balance - Beginning of Year	4,237,164	4,237,164	4,237,164	-
Fund Balance - End of Year	<u>\$ 4,237,164</u>	<u>\$ 3,776,306</u>	<u>\$ 4,580,709</u>	<u>\$ 738,403</u>

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

	American Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ 890,777	\$ 890,777	\$ 1,248,226	\$ 357,449
Total Revenues	890,777	890,777	1,248,226	357,449
Expenditures				
Current				
Housing and Development	1,781,553	1,781,553	1,250,000	531,553
Total Current Expenditures	1,781,553	1,781,553	1,250,000	531,553
Total Expenditures	1,781,553	1,781,553	1,250,000	531,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(890,776)	(890,776)	(1,774)	889,002
Other Financing Sources (Uses)				
Transfers From Other Funds	-	-	1,774	1,774
Total Other Financing Sources (Uses)	-	-	1,774	1,774
Net Change in Fund Balance	(890,776)	(890,776)	-	890,776
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ (890,776)	\$ (890,776)	\$ -	\$ 890,776

See accompanying notes which are an integral part of these financial statements.

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

	Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 4,167,593
Accounts Receivable	
Taxes for Other Governments	<u>1,114,353</u>
Total Assets	<u><u>\$ 5,281,946</u></u>
Liabilities	
Funds Due to Other Local Governments	\$ 4,023,263
Funds Due to Others	131,223
Uncollected Taxes	<u>1,114,353</u>
Total Liabilities	<u>5,268,839</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>13,107</u>
Total Net Position	<u><u>\$ 13,107</u></u>

See accompanying notes which are an integral part of these financial statements.

MONTGOMERY COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
Additions	
Taxes Collected for Other Governments	\$ 9,513,260
Fines Collected for Other Governments	278,811
Funds Collected for Others	<u>374,455</u>
Total Additions	<u>10,166,526</u>
Deductions	
Taxes Distributed to Other Governments	9,513,260
Fines Distributed to Other Governments	278,811
Funds Distributed to Others	<u>361,348</u>
Total Deductions	<u>10,153,419</u>
Changes in Net Position	13,107
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ 13,107</u></u>

See accompanying notes which are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

MONTGOMERY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Reporting Entity

Montgomery County (the County) was established under the provisions of an act of the General Assembly of Georgia on December 19, 1793. The County is governed by an elected board of five County Commissioners and provides the following services as authorized by state law: public safety, highways and streets, sanitation, health and social services, culture and 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 Montgomery 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, the financial statements of the component units are discretely presented in the government-wide financial statements.

Blended Component Unit - A blended component unit, although a legally separate entity, is, in substance, part of the County's operations. Following is a description of the County's blended component unit:

Montgomery County Development Authority

The governing board of the Montgomery County Development Authority (Development Authority) consists of five members appointed by the Montgomery County Board of Commissioners (Board of Commissioners). The purpose of the Development Authority is to promote, develop and expand, for the public good and welfare of the County and its citizens, industry, agriculture, trade, commerce, and recreation within the County. The Development Authority maintains its financial records on a calendar year ending December 31. The Development Authority does not issue stand-alone financial statements.

Discretely Presented Component Unit - A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Following is a description of the County's discretely presented component unit:

Montgomery County Board of Health

The Montgomery County Board of Health d/b/a Montgomery County Public Health Center (Health Center), a component unit, has a governing board consisting of seven members. Four of the members are either County officials or members appointed by the County. Although the County does not have the authority to approve or modify the budget of the Health Center, the County is obligated to provide financial support to the Health Center. The Health Center has a June 30 year-end. The Health Center's financial statements may be obtained by writing to the District Administrator, South Central Health District, 2121-D Bellevue Road, Dublin, Georgia 31021.

(1) Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, any 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, charges for services and intergovernmental grants associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

(1) Summary of Significant Accounting Policies (Continued)

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 American Rescue Plan Act (ARPA) Fund is used to account for the proceeds received from the State of Georgia for the County's allocation of Local Fiscal Recovery Funds created by the American Rescue Plan Act of 2021.

The 2021 SPLOST Fund accounts for the acquisition and construction of approved projects within the County from resources provided by the 2021 special County one percent sales and use tax.

The Capital Projects Fund accounts for revenues associated with various County projects.

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 financial resources to be used for the acquisition and construction of major capital facilities.

The fiduciary 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County does not report any proprietary funds in these financial statements.

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.

(1) Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the state of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the 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.

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.

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. The consumption method is used by recording an asset for the prepaid amount and by recording the expenditure/expense in the period in which services are consumed. At the fund reporting level, an equal amount of fund balance is categorized as nonspendable, as this amount is not available for general appropriation.

Capital Assets

Capital assets, which includes property, plant, equipment, and the infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the governmental 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 five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The County has recorded an intangible right-to-use asset as a result of implementing GASB 87. The intangible right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The intangible right-to-use asset is amortized on a straight-line basis over the life of the related lease.

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

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Buildings and Improvements	10 - 30
Infrastructure	10 - 50
Machinery and Equipment	3 - 12

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Accumulated unpaid vacation, sick pay and other fringe benefits are not accrued since the amounts do not exceed a normal year's accumulation. These expenses are recorded as incurred.

Government-Wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

Invested in capital assets - Consists of historical cost of capital assets less accumulated depreciation,

Restricted - Consists of net position that is restricted by the state enabling legislation, by grantors (both federal and state) and by other contributors, and

Unrestricted - All other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form (such as prepaid items) or because they are legally or contractually required to be maintained intact,

Restricted - Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors,

(1) Summary of Significant Accounting Policies (Continued)

Governmental Fund Balances (Continued)

Committed - Amounts that are constrained for specific purposes that are internally imposed by the County through formal action by the Board of Commissioners and does not lapse at year-end. Committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action it employed to previously commit those amounts,

Assigned - Amounts that are designated by the County manager for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote by the Board of Commissioners, and

Unassigned - All amounts not included in other spendable classifications.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the County's policy is to use fund balance in the following order: committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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.

Impact of New Accounting Standard Adopted

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or outflows of resources based on the payment provisions of the contract.

As a result of adopting this pronouncement as of January 1, 2022, the County recognized intangible right-to-use assets and lease liabilities related to its lessee arrangements, as described in Note 6. The lease liabilities were recorded in the statement of net position based on the present value of future payments. Within the statement of activities, the intangible right-to-use assets are recognized on a straight-line basis as amortization expense over the life of the lease. The interest portion of cash payments is recognized as interest expense based on the incremental borrowing rate.

(2) Legal Compliance - Budgets

The Budgetary Information

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

Department heads submit to the county manager a proposed operating budget for the year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the county manager 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 for the General Fund. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting, and no increase shall be made therein without provision also being made for financing it. Budget amounts are as originally adopted, or as amended by the Board of Commissioners, if such amendments are considered material to the budget as a whole.

(3) Deposits and Investments

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 to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The County has no custodial credit risk policies requiring additional collateral. As of December 31, 2022, the County had no uncollateralized deposits.

As of June 30, 2022, the Health Department was 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.

The County had no investments as of December 31, 2022.

(3) Deposits and Investments

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 to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The County has no custodial credit risk policies requiring additional collateral. As of December 31, 2022, the County had no uncollateralized deposits.

As of June 30, 2022, the Health Department was 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.

The County had no investments as of December 31, 2022.

(4) Receivables

Receivables for the government's individual major and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows at December 31, 2022:

	Nonmajor Governmental		
	General Fund	Funds	Total
Receivables			
Property Taxes	\$ 564,227	\$ -	\$ 564,227
Accounts	-	23,859	23,859
Gross Receivables	564,227	23,859	588,086
Allowance for Uncollectibles	(40,535)	-	(40,535)
Net Total Receivables	\$ 523,692	\$ 23,859	\$ 547,551

Property taxes were levied on October 6, 2022. Bills were payable on or before December 20, 2022, after which the applicable property is subject to lien, and penalties and interest are assessed. The County bills and collects its own property taxes. Property taxes levied for 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2022, and collected by February 28, 2023, are recognized as revenues in the year ended December 31, 2022. Net receivables estimated to be collected subsequent to February 28, 2023, are deferred as of December 31, 2022, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

(5) Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 552,293	\$ -	\$ -	\$ 552,293
Construction in Progress	-	125,316	-	125,316
Total Capital Assets, Not Being Depreciated	552,293	125,316	-	677,609
Capital Assets, Depreciable				
Buildings and Improvements	6,125,114	72,540	(120,000)	6,077,654
Infrastructure	7,044,692	-	-	7,044,692
Furniture and Fixtures	339,363	-	-	339,363
Road Machinery and Equipment	5,794,466	467,884	(209,826)	6,052,524
Intangible Right-to-Use Lease Asset	-	332,000	-	332,000
Total Capital Assets, Depreciable	19,303,635	872,424	(329,826)	19,846,233
Accumulated Depreciation for				
Buildings and Improvements	(3,413,697)	(119,995)	18,800	(3,514,892)
Infrastructure	(2,245,964)	(555,670)	-	(2,801,634)
Furniture and Fixtures	(321,764)	(7,654)	-	(329,418)
Road Machinery and Equipment	(3,996,543)	(650,282)	191,600	(4,455,225)
Intangible Right-to-Use Lease Asset	-	(20,750)	-	(20,750)
Total Accumulated Depreciation	(9,977,968)	(1,354,351)	210,400	(11,121,919)
Total Capital Assets, Depreciable, Net	9,325,667	(481,927)	(119,426)	8,724,314
Governmental Activities				
Capital Assets, Net	<u>\$ 9,877,960</u>	<u>\$ (356,611)</u>	<u>\$ (119,426)</u>	9,401,923
				<u>(1,262,778)</u>
				<u>\$ 8,139,145</u>

The schedule above includes the capital asset activity of the Development Authority which is classified as a blended component unit of the County.

Depreciation / amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 89,803
Public Safety	225,566
Public Works	1,014,071
Health and Welfare	11,399
Culture and Recreation	13,512
Total Depreciation / Amortization - Governmental Activities	<u>\$ 1,354,351</u>

(5) Capital Assets (Continued)**Discretely Presented Component Unit**

Activity for the Health Center for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Unit				
Capital Assets, Depreciable				
Equipment and Vehicles	\$ 15,565	\$ -	\$ -	\$ 15,565
Accumulated Depreciation	(15,433)	(66)	-	(15,499)
Total Discretely Presented Component Unit	\$ 132	\$ (66)	\$ -	\$ 66

(6) Long-Term Debt**Primary Government**

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Finance Purchase Obligation	\$ 611,467	\$ 313,708	\$ (222,570)	\$ 702,605	\$ 278,916
Lease Liability	-	332,000	(11,382)	320,618	46,229
Notes Payable	539,760	-	(300,205)	239,555	60,259
Total Governmental Activities	\$ 1,151,227	\$ 645,708	\$ (534,157)	\$ 1,262,778	\$ 385,404

The following summarizes the debt service requirements for long-term debt as of December 31, 2022:

	2023	2024	2025	2026	2027	Thereafter	Total
Principal Maturities							
Finance Purchase Obligation	\$ 278,916	\$ 118,290	\$ 95,808	\$ 170,660	\$ 38,931	\$ -	\$ 702,605
Lease Liability	46,229	47,372	48,542	178,475	-	-	320,618
Notes Payable	60,259	61,575	62,918	26,620	19,837	8,346	239,555
Total Principal Maturities	385,404	227,237	207,268	375,755	58,768	8,346	1,262,778
Interest Requirements							
Finance Purchase Obligation	18,831	9,840	6,707	2,611	520	-	38,509
Lease Liability	7,321	6,178	5,007	2,970	-	-	21,476
Notes Payable	4,625	3,309	1,966	892	431	47	11,270
Total Interest Requirements	30,777	19,327	13,680	6,473	951	47	71,255
	\$ 416,181	\$ 246,564	\$ 220,948	\$ 382,228	\$ 59,719	\$ 8,393	\$ 1,334,033

(6) Long-Term Debt (Continued)

Primary Government (Continued)

Finance Purchase Obligations

The County has entered into various finance purchase option agreements for the financing of various pieces of equipment. The finance purchase option agreements have been recorded at the present values of the future minimum option payments as of the date of their inception.

The following is an analysis of the finance purchase obligations assets as of December 31, 2022:

	Governmental Activities
Equipment	\$ 1,375,035
Less Accumulated Depreciation	(689,811)
	<u>\$ 685,224</u>

The County reported \$257,681 of depreciation expense for governmental activities on the above finance purchase obligations assets for the year ended December 31, 2022.

Lease Liability

The County has entered into a lease liability agreement for the financing of a John Deere Motor Grader. The lease liability agreement has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The following is an analysis of the lease liability asset as of December 31, 2022:

	Governmental Activities
Equipment	\$ 332,000
Less Accumulated Amortization	(20,750)
	<u>\$ 311,250</u>

The County reported \$20,750 of amortization expense for governmental activities on the above lease liability asset for the year ended December 31, 2022.

(6) Long-Term Debt (Continued)**Primary Government (Continued)****Notes Payable**

As of December 31, 2022, notes payable was comprised of the following:

Installment Note to the U. S. Department of Agriculture (USDA) with Interest at 2.125% in Monthly Installments of \$1,830, Secured by Vehicles, Through December 2025	\$ 67,102
Installment Note to the U. S. Department of Agriculture (USDA) with Interest at 2.25% in Monthly Installments of \$1,689, Secured by Vehicles, Through December 2027	103,220
Installment Note to the U. S. Department of Agriculture (USDA) with Interest at 2.125% in Monthly Installments of \$1,888, Secured by Vehicles, Through December 2025	<u>69,233</u>
	<u>\$ 239,555</u>

For the year ended December 31, 2022, interest expense totaled \$11,905 and has been expensed within the accompanying financial statements.

(7) Interfund Receivables, Payables, and Transfers

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

Due To / From Other Funds		
Receivable Fund	Payable Fund	Amount
2021 SPLOST Fund	Capital Projects Fund	\$ 22,631
Nonmajor Governmental Funds	Nonmajor Governmental Funds	4
		<u>\$ 22,635</u>

The outstanding balances between funds results mainly 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 include the following:

Transfers In	Transfers Out	Amount
General Fund	ARPA Fund	\$ 1,774
	Capital Projects Fund	400,000
	Nonmajor Governmental Funds	375,692
Nonmajor Governmental Funds	General Fund	<u>60,000</u>
		<u>\$ 837,466</u>

(7) Interfund Receivables, Payables and Transfers (Continued)

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

(8) Joint Venture

Under Georgia law, the County is a participating member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. Membership in the RC is required by OCGA Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC board membership includes the chief elected official of each county and municipality of the area. OCGA Section 50-8-39.1 provides that the member governments are liable for any debts and obligations of the RC. Separate financial statements may be obtained from: Heart of Georgia Altamaha Regional Commission, 5405 Oak Street, Eastman, Georgia 31023.

(9) Retirement Plans

Defined Contribution Plan

Effective January 1, 2015, the County established the ACCG (Association County Commissioners of Georgia) 401(a) Defined Contribution Plan for Montgomery County Employees (Plan), a single employer defined contribution plan established and administered by ACCG-GEB Corp for substantially all of its full-time employees. The Plan provides retirement benefits to participants and beneficiaries. Plan provision and contribution requirements are established by ACCG-GEB Corp; however, they may be amended by the Board of Commissioners within the limits set forth in Section 12.01 of the Plan document. The County will contribute three percent of the employee's compensation under the Plan. Employees with less than five years of service are not vested in the Plan and become 100 percent vested after five years of service.

The County's contributions to the Plan for the year ended December 31, 2022, were \$44,595.

(10) 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 Association of County Commissioners 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 the 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.

(10) Risk Management (Continued)

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

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or three prior years.

(11) 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 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 lawsuits in the ordinary course of business. 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.

(12) Conduit Debt - Montgomery County (Blended Component Unit)

The Authority has issued Taxable Revenue Bonds to provide financial assistance to a private sector entity for the acquisition, and construction of a solar energy production facility within the County. The bonds are secured by the property, property improvements, and equipment financed with the bond proceeds and are payable solely from rents, revenues, and receipts derived from the lease agreement with the private sector entity. Upon repayment of the bonds, ownership of the acquired property, property improvements, and equipment transfers to the private-sector entity served by the bond issuance. The Authority, the County, the State, or any political subdivision, thereof, is not obligated in any manner for repayment of the bonds. Accordingly, they are not reported as liabilities in the accompanying financial statements. As of December 31, 2022 there was one series of Taxable Revenue Bonds outstanding, as follows:

	<u>Face Amount</u>	<u>Outstanding Amount</u>
Development Authority of Montgomery County Taxable Industrial Development Revenue Bonds Silicon Ranch and SR Ailey	\$ 69,000,000	\$ -

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Law Library Fund - This fund accounts for fines collected as required by State Law for Law Library operations.

Recreation Fund – This fund accounts for revenues generated from concessions, gate admissions and registration fees which are used to support the County’s recreation programs.

Drug Forfeiture Fund - This fund accounts for Federal and State condemned funds received and disbursed for Law Enforcement expenditures.

County Jail Fee Fund - This fund accounts for fines collected as required by State Law for jail operations and construction.

Drug Education Fund - This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

Emergency 911 Fund - This fund accounts for the E-911 fees collected and disbursements for the operation of the E-911 call center.

Senior Citizens Nutrition Fund - This fund was established to account for revenues from grants and other sources to provide meals and other services to the elderly.

Development Authority Fund - This fund accounts for the promotion and expansion of industry and trade within Montgomery County.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CDBG Fund – This fund is used to collect the CDBG proceeds and the capital projects approved for these funds.

TSPLOST Fund – This fund was established to account for the proceeds and various projects associated with Transportation Special Purpose Local Option Sales Tax.

MONTGOMERY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

Special Revenue Funds

	Law Library Fund	Recreation Fund	Drug Forfeiture Fund	County Jail Fee Fund	Drug Education Fund
Assets					
Cash and Cash Equivalent	\$ 15,935	\$ 755	\$ 18,530	\$ 45,062	\$ 10,590
Receivables, Net of Allowance					
Accounts	-	-	-	-	-
Due From Other Funds	-	-	-	-	4
Due from Other Governments	-	-	-	-	-
Total Assets	\$ 15,935	\$ 755	\$ 18,530	\$ 45,062	\$ 10,594
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 352
Accrued Expenditures	-	-	-	-	-
Due to Other Funds	-	-	-	4	-
Total Liabilities	-	-	-	4	352
Fund Balances					
Restricted	15,935	755	18,530	45,058	10,242
Total Fund Balances	15,935	755	18,530	45,058	10,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,935	\$ 755	\$ 18,530	\$ 45,062	\$ 10,594

MONTGOMERY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022
(CONTINUED)

Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
Emergency 911 Fund	Senior Citizens Nutrition Fund	Development Authority Fund	CDBG Fund	TSPLOST Fund	
\$ 9,188	\$ 12,132	\$ 72,972	\$ 370	\$ 204,997	\$ 390,531
23,859	-	-	-	-	23,859
-	-	-	-	-	4
134	33,741	-	-	30,263	64,138
<u>\$ 33,181</u>	<u>\$ 45,873</u>	<u>\$ 72,972</u>	<u>\$ 370</u>	<u>\$ 235,260</u>	<u>\$ 478,532</u>
\$ 1,311	\$ 4,846	\$ -	\$ -	\$ 4,110	\$ 10,619
10,295	1,050	-	-	-	11,345
-	-	-	-	-	4
11,606	5,896	-	-	4,110	21,968
21,575	39,977	72,972	370	231,150	456,564
21,575	39,977	72,972	370	231,150	456,564
<u>\$ 33,181</u>	<u>\$ 45,873</u>	<u>\$ 72,972</u>	<u>\$ 370</u>	<u>\$ 235,260</u>	<u>\$ 478,532</u>

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

	Special Revenue Funds				
	Law Library Fund	Recreation Fund	Drug Forfeiture Fund	County Jail Fee Fund	Drug Education Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	6,744	-	-	-
Fines	4,713	-	8,881	7,321	3,275
Interest Earnings	25	2	25	61	18
Other Income	-	365	-	-	-
Total Revenues	4,738	7,111	8,906	7,382	3,293
Expenditures					
Current					
Public Safety	5,752	-	2,640	-	9,037
Public Works	-	-	-	-	-
Housing and Development	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	7,472	-	-	-
Debt Service					
Principal	-	-	-	-	-
Total Expenditures	5,752	7,472	2,640	-	9,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,014)	(361)	6,266	7,382	(5,744)
Other Financing Sources (Uses)					
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-
Proceeds Sale of Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(1,014)	(361)	6,266	7,382	(5,744)
Fund Balance - Beginning of Year	16,949	1,116	12,264	37,676	15,986
Fund Balance - End of Year	\$ 15,935	\$ 755	\$ 18,530	\$ 45,058	\$ 10,242

MONTGOMERY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
Emergency 911 Fund	Senior Citizens Nutrition Fund	Development Authority Fund	CDBG Fund	TSPLOST Fund	
\$ -	\$ -	\$ -	\$ -	312,675	\$ 312,675
-	96,812	-	8,400	-	105,212
146,389	2,606	-	-	-	155,739
-	-	-	-	-	24,190
-	3	82	-	220	436
-	26,026	30,000	-	-	56,391
146,389	125,447	30,082	8,400	312,895	654,643
368,741	-	-	-	-	386,170
-	-	-	8,400	235,065	243,465
-	-	91,587	-	-	91,587
-	154,656	-	-	-	154,656
-	-	-	-	-	7,472
-	-	241,225	-	-	241,225
368,741	154,656	332,812	8,400	235,065	1,124,575
(222,352)	(29,209)	(302,730)	-	77,830	(469,932)
218,488	62,204	95,000	-	-	375,692
-	-	-	-	(60,000)	(60,000)
-	-	260,000	-	-	260,000
218,488	62,204	355,000	-	(60,000)	575,692
(3,864)	32,995	52,270	-	17,830	105,760
25,439	6,982	20,702	370	213,320	350,804
\$ 21,575	\$ 39,977	\$ 72,972	\$ 370	\$ 231,150	\$ 456,564

MONTGOMERY COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines	\$ -	\$ 4,713	\$ 4,713
Interest Income	-	25	25
Total Revenues	-	4,738	4,738
Expenditures			
Current			
Public Safety	5,752	5,752	-
Total Expenditures	5,752	5,752	-
Net Changes in Fund Balance	(5,752)	(1,014)	4,738
Fund Balance - Beginning of Year	16,949	16,949	-
Fund Balance - End of Year	\$ 11,197	\$ 15,935	\$ 4,738

MONTGOMERY COUNTY, GEORGIA
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 13,250	\$ 6,744	\$ (6,506)
Interest Income	-	2	2
Other Income	500	365	(135)
Total Revenues	13,750	7,111	(6,639)
Expenditures			
Current			
Culture and Recreation	13,750	7,472	6,278
Total Expenditures	13,750	7,472	6,278
Net Changes in Fund Balance	-	(361)	(361)
Fund Balance - Beginning of Year	1,116	1,116	-
Fund Balance - End of Year	\$ 1,116	\$ 755	\$ (361)

MONTGOMERY COUNTY, GEORGIA
DRUG FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ -	\$ 8,881	\$ 8,881
Interest Income	-	25	25
Total Revenues	-	8,906	8,906
Expenditures			
Current			
Public Safety	2,640	2,640	-
Total Expenditures	2,640	2,640	-
Net Changes in Fund Balance	(2,640)	6,266	8,906
Fund Balance - Beginning of Year	12,264	12,264	-
Fund Balance - End of Year	\$ 9,624	\$ 18,530	\$ 8,906

MONTGOMERY COUNTY, GEORGIA
COUNTY JAIL FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 9,000	\$ 7,321	\$ (1,679)
Interest Income	25	61	36
Total Revenues	<u>9,025</u>	<u>7,382</u>	<u>(1,643)</u>
Expenditures			
Current			
Public Safety	9,025	-	9,025
Total Expenditures	<u>9,025</u>	<u>-</u>	<u>9,025</u>
Net Changes in Fund Balance	-	7,382	7,382
Fund Balance - Beginning of Year	<u>37,676</u>	<u>37,676</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 37,676</u></u>	<u><u>\$ 45,058</u></u>	<u><u>\$ 7,382</u></u>

MONTGOMERY COUNTY, GEORGIA
DRUG EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 5,000	\$ 3,275	\$ (1,725)
Interest Income	25	18	(7)
Total Revenues	<u>5,025</u>	<u>3,293</u>	<u>(1,732)</u>
Expenditures			
Current			
Public Safety	9,037	9,037	-
Total Expenditures	<u>9,037</u>	<u>9,037</u>	<u>-</u>
Net Changes in Fund Balance	(4,012)	(5,744)	(1,732)
Fund Balance - Beginning of Year	<u>15,986</u>	<u>15,986</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 11,974</u></u>	<u><u>\$ 10,242</u></u>	<u><u>\$ (1,732)</u></u>

MONTGOMERY COUNTY, GEORGIA
EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 140,000	\$ 146,389	\$ 6,389
Total Revenues	<u>140,000</u>	<u>146,389</u>	<u>6,389</u>
Expenditures			
Current			
Public Safety	407,306	368,741	38,565
Total Expenditures	<u>407,306</u>	<u>368,741</u>	<u>38,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(267,306)</u>	<u>(222,352)</u>	<u>44,954</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	267,306	218,488	(48,818)
Total Other Financing Sources (Uses)	<u>267,306</u>	<u>218,488</u>	<u>(48,818)</u>
Net Changes in Fund Balance	-	(3,864)	(3,864)
Fund Balance - Beginning of Year	<u>25,439</u>	<u>25,439</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 25,439</u></u>	<u><u>\$ 21,575</u></u>	<u><u>\$ (3,864)</u></u>

MONTGOMERY COUNTY, GEORGIA
SENIOR CITIZENS NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 1,000	\$ 2,606	\$ 1,606
Intergovernmental	102,000	96,812	(5,188)
Interest Income	-	3	3
Other Income	25,100	26,026	926
Total Revenues	128,100	125,447	(2,653)
Expenditures			
Current			
Health and Welfare	154,656	154,656	-
Total Expenditures	154,656	154,656	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,556)	(29,209)	(2,653)
Other Financing Sources (Uses)			
Transfers from Other Funds	21,838	62,204	40,366
Total Other Financing Sources (Uses)	21,838	62,204	40,366
Net Changes in Fund Balance	(4,718)	32,995	37,713
Fund Balance - Beginning of Year	6,982	6,982	-
Fund Balance - End of Year	\$ 2,264	\$ 39,977	\$ 37,713

**MONTGOMERY COUNTY, GEORGIA
DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance with Final Budget
Revenues			
Interest Income	\$ -	\$ 82	\$ 82
Other Income	-	30,000	30,000
Total Revenues	-	30,082	30,082
Expenditures			
Current			
Housing and Development	91,587	91,587	-
Debt Service			
Principal	241,225	241,225	-
Total Expenditures	332,812	332,812	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(332,812)	(302,730)	30,082
Other Financing Sources (Uses)			
Transfers From Other Funds	95,000	95,000	-
Gain on Sale of Assets	-	260,000	260,000
Total Other Financing Sources (Uses)	95,000	355,000	260,000
Net Changes in Fund Balance	(237,812)	52,270	290,082
Fund Balance - Beginning of Year	20,702	20,702	-
Fund Balance - End of Year	\$ (217,110)	\$ 72,972	\$ 290,082

MONTGOMERY COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Custodial Funds					Total
	Tax Commissioner's Office	Clerk of Court	Probate Court	Sheriff's Department	Magistrate Court	Custodial Funds
Assets						
Cash and Cash Equivalents	\$ 4,066,744	\$ 26,802	\$ 22,859	\$ 45,509	\$ 5,679	\$ 4,167,593
Taxes Receivable	1,114,353	-	-	-	-	1,114,353
Total Assets	5,181,097	26,802	22,859	45,509	5,679	5,281,946
Liabilities						
Funds Due to Other Local Governments	4,003,761	11,089	5,600	2,176	637	4,023,263
Funds Due to Others	62,983	15,713	14,400	33,085	5,042	131,223
Uncollected Taxes	1,114,353	-	-	-	-	1,114,353
Total Liabilities	5,181,097	26,802	20,000	35,261	5,679	5,268,839
Net Position						
Restricted for Individuals, Organizations, and Other Governments	-	-	2,859	10,248	-	13,107
Total Net Position	\$ -	\$ -	\$ 2,859	\$ 10,248	\$ -	\$ 13,107

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

	Custodial Funds					Total
	Tax Commissioner's Office	Clerk of Court	Probate Court	Sheriff's Department	Magistrate Court	Custodial Funds
Additions						
Taxes Collected for Other Governments	\$ 9,513,260	\$ -	\$ -	\$ -	-	\$ 9,513,260
Fines Collected for Other Governments	-	129,341	90,960	50,705	7,805	278,811
Funds Collected for Others	122,426	110,907	46,793	40,330	53,999	374,455
Total Additions	9,635,686	240,248	137,753	91,035	61,804	10,166,526
Deductions						
Taxes Distributed to Other Governments	9,513,260	-	-	-	-	9,513,260
Fines Distributed to Other Governments	-	129,341	90,960	50,705	7,805	278,811
Funds Distributed to Others	122,426	110,907	43,934	30,082	53,999	361,348
Total Deductions	9,635,686	240,248	134,894	80,787	61,804	10,153,419
Changes in Net Position						
	-	-	2,859	10,248	-	13,107
Net Position - Beginning of Year	-	-	-	-	-	-
Net Position - End of Year	\$ -	\$ -	\$ 2,859	\$ 10,248	\$ -	\$ 13,107

MONTGOMERY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2015 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2022

Project 2015 Special Local Option Sales Tax	Original Budget	Expenditures		Total
		Prior Years	Current Year	
Buildings, Recreation, and Other				
Improvements, Road Improvements, Recreation and Library Equipment, Major Equipment and Motor Vehicles	\$ 3,058,000	\$ 1,892,721	\$ -	\$ 1,892,721
Distribution to Municipalities				
City of Ailey	331,650	219,064	-	219,064
City of Alston	95,700	63,163	-	63,163
City of Higgston	194,700	128,531	-	128,531
City of Mount Vernon	1,405,800	930,882	-	930,882
City of Tarrytown	53,900	35,114	-	35,114
City of Uvalda	360,250	238,131	-	238,131
<hr/>				
Total All Projects	\$ 5,500,000	\$ 3,507,606	\$ -	\$ 3,507,606

^ 2015 SPLOST has closed.

MONTGOMERY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2021 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2022

Project 2021 Special Local Option Sales Tax	Original Budget	Expenditures		Total
		Prior Years	Current Year	
Buildings, Recreation, and Other				
Improvements, Road Improvements, Recreation and Library Equipment, Major Equipment and Motor Vehicles	\$ 3,205,037	\$ 41,042	\$ 856,831	\$ 897,873
Distribution to Municipalities				
City of Ailey	245,058	39,248	43,503	82,751
City of Alston	89,958	14,432	15,996	30,428
City of Higgston	183,018	29,304	32,481	61,785
City of Mount Vernon	1,389,179	222,288	246,385	468,673
City of Tarrytown	49,115	7,832	8,681	16,513
City of Uvalda	338,635	54,208	60,084	114,292
Total All Projects	\$ 5,500,000	\$ 408,354	\$ 1,263,961	\$ 1,672,315

Reconciliation of 2021 SPLOST Schedule to Financial Statements

Total 2021 SPLOST Expenditures Above	<u>\$ 1,263,961</u>
Total Expenditures - SPLOST 2021 Fund	\$ 1,561,179
Debt Service Payments	(272,847)
Interest Expense	<u>(24,371)</u>
	<u>\$ 1,263,961</u>

**MONTGOMERY COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
GRANT #16P-Y-103-1-6081
FOR THE YEAR ENDED DECEMBER 31, 2022**

I.	Total Fiscal Year <u>2016</u> CDBG Funds Awarded to Recipient	\$ 471,887
II.	Total Amount Draw Down by Recipient from CDBG	\$ 377,659
III.	Less CDBG Funds Expended by Recipient	377,659
IV.	Amount of Fiscal Year <u>2016</u> CDBG Funds Held by Recipient	\$ -

MONTGOMERY COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
GRANT #16P-Y-103-1-6081
FOR THE YEAR ENDED DECEMBER 31, 2022

Program Activity	Activity Code	Latest Approved Budget	Accumulative Expenditures to Date	Accumulative Expenditures to Date		Total Expenditures to Date	Questioned Costs
				Other Funds	Date		
Engineering Street Improvements	T-03K-01	\$ 48,704	\$ 48,704	-	\$ -	48,704	\$ -
	P-03K-01	423,183	328,955	-	-	328,955	-
		\$ 471,887	\$ 377,659	\$ -	\$ -	377,659	\$ -

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SINGLE AUDIT SECTION

MONTGOMERY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal / Grantor /Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Justice</u>				
Direct Programs				
COPS Hiring Program (CHP)	16.710		\$ - \$	44,461
Total Direct Programs			-	44,461
Total U.S. Department of Justice			-	44,461
<u>U.S. Department of Agriculture</u>				
Direct Programs				
USDA Rural Development	10.766		-	23,170
USDA Rural Development	10.766		-	17,600
Total Direct Programs / Community Facilities Loans and Grants Cluster			-	40,770
Total U.S. Department of Agriculture			-	40,770
<u>U.S. Department of Health and Human Services</u>				
Passed through Georgia State Department of Health and Human Resources				
Special Programs for Aging - Title III, Part C(1) and C(2)	93.045	42700-373-0000106900	-	38,913
Nutrition Services Incentives Program	93.053	42700-373-0000106900	-	12,966
Subtotal for Aging Cluster			-	51,879
Total Pass-through Programs			-	51,879
Total U.S. Department of Health and Human Services			-	51,879
<u>U.S. Housing and Urban Development</u>				
Passed through the State of Georgia Department of Community Affairs				
Community Development Block Grant	14.228	16p-y-103-1-6081	-	8,400
Total Pass-through Programs			-	8,400
Total U.S. Housing and Urban Development			-	8,400

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Treasury</u>				
Direct Program				
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,250,000	1,250,000
Total Direct Programs			1,250,000	1,250,000
Passed through the Georgia Office of Planning & Budget ARPA - Public Safety Officials & First Responders Supplement Grant	21.027	SLT-1189 / 14570	-	16,655
Passed through the Eighth Administrative Judicial District ARPA - Judicial Branch ARPA Funds	21.027	ARPA Judicial Funds	-	576
Total Pass-through Programs			-	17,231
Total U.S. Department of Treasury			1,250,000	1,267,231
<u>U.S. Department of Homeland Security</u>				
Passed through Georgia Emergency Management Agency Emergency Management Hazard Mitigation Grant	97.039	DR-4400-FEMA-GA	-	19,969
Total Pass-through Programs			-	19,969
Total U.S. Department of Homeland Security			-	19,969
Total Expenditures of Federal Awards			\$ 1,250,000	\$ 1,432,710

See accompanying notes to schedule of expenditures of federal awards.

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

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Montgomery County, Georgia under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Montgomery County, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of Montgomery County, Georgia.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(3) Indirect Cost Rate

Montgomery County, Georgia has elected not to use the 10 - percent de minimis indirect cost rate allowed under the Uniform Guidance.

MONTGOMERY COUNTY BOARD OF COMMISSIONERS
310 W. BROAD STREET – P.O. BOX 295
MOUNT VERNON, GA 30445
912-583-2363 (phone) - 912-583-2026 (fax)
www.montcoga.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENT FINDINGS

2021-001 Lack of Segregation of Duties

Status: Unresolved during FY 22.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE REPORTED

MONTGOMERY COUNTY BOARD OF COMMISSIONERS

310 W. BROAD STREET – P.O. BOX 295
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June 1, 2023

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

Montgomery County, Georgia respectfully submits the following corrective action plan for the year ended December 31, 2022.

FINANCIAL STATEMENT FINDINGS

2022-001 Lack of Segregation of Duties

Name of Contact Person: Brandon Braddy, County Manager

Recommendation: We recommend that the County review its processes and determine where it can cost-effectively separate incompatible functions or provide management oversight to mitigate risk.

Corrective Action: Management concurs with the finding. Due to limited staff in each of the County offices, it is a challenge to adequately segregate their duties. The current workload these offices incur does not merit adding additional staff. Efforts are ongoing to find a solution to properly segregate their duties.

Anticipated Completion Date: June 30, 2023

2022-002 Lease Liabilities / Finance Purchase Obligations

Name of Contact Person: Brandon Braddy, County Manager

Recommendation: The County should establish procedures to ensure the proper recording of lease liabilities and finance purchase obligation transactions.

Corrective Action: Management concurs with the finding. Going forward, all of the County lease liabilities will be recorded.

Anticipated Completion Date: June 30, 2023

MONTGOMERY COUNTY BOARD OF COMMISSIONERS

310 W. BROAD STREET – P.O. BOX 295

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912-583-2363 (phone) - 912-583-2026 (fax)

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2022-003 Violation of Georgia Law – SPLOST Fund

Name of Contact Person: Brandon Braddy, County Manager

Recommendation: The County should enhance internal controls to ensure SPLOST proceeds is only used for approved SPLOST projects.

Corrective Action: Management concurs with the finding. In error, management missed transferring funds from the Capital Projects Fund to the SPLOST Fund to remove the due from. The Board of Commissioners adopted Resolution 23-05-01 on May 8, 2023 authorizing the transfer of funds from the Capital Projects Fund to the SPLOST fund to remove the due from as shown on the SPLOST Fund balance sheet.

Anticipated Completion Date: June 30, 2023

FEDERAL AWARDS FINDINGS

None Reported

June 1, 2023

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

Board of Commissioners
Montgomery County, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Montgomery County, Georgia** as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Montgomery County, Georgia's basic financial statements, and have issued our report thereon dated June 1, 2023. Our report includes a reference to other auditors who audited the financial statements of the Montgomery County Board of Health as described in our report on Montgomery County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2022-003.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Montgomery County, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County, Georgia's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLeMORE, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

June 1, 2023

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Commissioners
Montgomery County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Montgomery County, Georgia's** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montgomery County, Georgia's major federal programs for the year ended December 31, 2022. Montgomery County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

McNair, McLeMORE, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**MONTGOMERY COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECMEBER 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Program	\$ 750,000
Auditee qualified as low-risk auditee	No

Section II - Financial Statement Findings

Findings noted on the 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*:

2022-001 *Lack of Segregation of Duties*

Criteria

An effective system of internal controls includes the shared responsibilities of key processes that dispenses the critical functions of that process to more than one person or department.

Condition

During our audit key processes were identified that lacked adequate segregation of duties.

Context

There is a lack of segregation of duties in the offices of the Probation Court, Clerk of Court, Magistrate Court, Sheriff's Office, Tax Commissioner's Office, and the Board of Commissioner's Office. These situations pose dangers in that errors or thefts could occur and not be detected in a timely manner.

Effect

A lack of segregation of duties increases the likelihood that misstatements to the financial records, due to either error or fraud, could occur and go undetected.

Cause

The limited number of employees and the resulting overlapping of duties make segregating duties difficult.

Recommendation

We recommend that the County review its processes and determine where it can cost-effectively separate incompatible functions or provide management oversight to mitigate risk.

Views of Responsible Officials and Planned Corrective Actions

Management concurs with the finding. Due to limited staff in each of the County offices, it is a challenge to adequately segregate their duties. The current workload these offices incur does not merit adding additional staff. Efforts are ongoing to find a solution to properly segregate their duties.

Section II - Financial Statement Findings (Continued)

2022-002 *Leases Liabilities / Finance Purchase Obligations*

Criteria

Generally accepted accounting principles direct that proceeds from governmental fund lease liabilities / finance purchase obligations are reported as other financing sources at the inception of the lease liabilities / finance purchase obligations and a expenditure equal to the present value of the minimum lease liabilities / finance purchase obligations payments reflect the commitment of financial resources associated with the acquired capital assets / right to use intangible asset.

Condition

The County did not record lease liability and finance purchase obligation transactions in the current year.

Context

Material audit adjustments were required to fairly report lease liabilities / finance purchase obligations and the corresponding capital outlay for the year ended December 31, 2022.

- Material audit adjustments of \$132,430 and \$148,278 were required in the 2021 SPLOST Fund to record the issuance and capital outlay for two finance purchase obligations.
- A material audit adjustment of \$332,000 was required in the 2021 SPLOST Fund to record the issuance and capital outlay for a lease liability.
- An audit adjustment of \$33,000 was required in the General Fund to record the issuance and capital outlay for a finance purchase obligation.

Effect

The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

Cause

The County did not have controls in place to ensure the recording of lease liability and finance purchase obligation transactions.

Recommendation

The County should establish procedures to ensure the proper recording of lease liabilities and finance purchase obligation transactions.

Views of Responsible Officials and Planned Corrective Actions

Management concurs with the finding. Going forward, all of the County lease liabilities will be recorded.

Section II - Financial Statement Findings (Continued)

2022-003 Violation of Georgia Law – SPLOST Fund

Criteria

The Official Code of Georgia (O.C.G.A.) Section 48-8-121(a)(1) requires that SPLOST proceeds be used exclusively for the purposes specified in the SPLOST resolution.

Condition

At December 31, 2022, the SPLOST Fund had a due from the Capital Projects Fund.

Context

The County transferred a Hazard Mitigation Grant to the Capital Projects Fund that was received as a reimbursement for a prior year SPLOST expenditure.

Effect

The County is in violation of O.C.G.A. Section 48-8-121(a)(1).

Cause

The County lacked the appropriate understanding of the Official Code of Georgia (O.C.G.A.) Section 48-8-121(a)(1) that requires SPLOST proceeds be used exclusively for the purposes specified in the SPLOST resolution.

Recommendation

The County should enhance internal controls to ensure SPLOST proceeds is only used for approved SPLOST projects.

Views of Responsible Officials and Planned Corrective Action

Management concurs with the finding. In error, management missed transferring funds from the Capital Projects Fund to the SPLOST Fund to remove the due from. The Board of Commissioners adopted Resolution 23-05-01 on May 8, 2023 authorizing the transfer of funds from the Capital Projects Fund to the SPLOST fund to remove the due from as shown on the SPLOST Fund balance sheet.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.